



TWENTY-SECOND JUDICIAL CIRCUIT

ST. LOUIS CITY, MISSOURI

CIRCUIT CLERK FUND

SIX MONTHS ENDED DECEMBER 31, 1998

AND YEAR ENDED JUNE 30, 1998

**From The Office Of State Auditor
Claire McCaskill**

Report No. 2000-28
April 25, 2000
www.auditor.state.mo.us

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

April 2000

During our audit of the Twenty-Second Judicial Circuit, St. Louis City, Missouri, Circuit Clerk Fund, we identified certain management practices which we believe could be improved. This audit reflects the audit period ending December 31, 1998, the end of the prior Circuit Clerk's term.

These audit findings are in addition to those noted in an earlier report which uncovered a theft in the Circuit Clerk's office. The employee who committed the theft has subsequently been terminated, prosecuted, pleaded guilty and paid full restitution.

The earlier report (Report No. 99-39) noted discrepancies between receipt records for cash bonds, monies deposited into the Finance Department's bank account, and other supporting bond records. Cash bonds of at least \$9,300 were taken and receipt records were altered to conceal the shortages. All thefts reported in our earlier audit occurred prior to January 1, 1999.

Criminal Division – Cashier's Office

The Criminal Division's safe was not always locked during the day. The numerical sequence of receipt slips was not accounted for properly, several unexplained changes were made to receipt slips and receipts were not always deposited timely. Some accounting duties were not adequately segregated, adequate information on payments received was not always entered on the computer and reconciliations between receipt slips issued and payments posted on the computer were not always performed. Monthly bank reconciliation procedures were inadequate. An independent reconciliation of receipts, disbursements, and transfers posted to the general ledger was not performed. An open-items listing was not prepared for some items, the Criminal Division had \$107,757 in unidentified monies and the bond open-items listing at December 31, 1998, included numerous old bonds.

Costs for Criminal Cases

A listing of accrued costs and restitution was not maintained and some monies were not disbursed properly. Criminal costs billings were not sent on a timely basis, nor was the city reimbursing appropriate criminal cost bills. Crime Victim's Compensation judgments were not collected from defendants assigned to St. Louis City's Medium Security Institution (MSI). The court did not prorate partial payments received on court costs.

Child Support Department

Receipts were not posted to the cash control records timely, nor were they deposited daily. Deposit report totals were not agreed to bank deposits or monies on hand. Bank reconciliations had not been prepared timely. Some accounting duties were not adequately segregated or reviewed by a supervisor. The cash balance exceeded the open-items listing by \$281,000 at December 31, 1998 and open-items listings for the Parent Locator and Dissolution bank accounts were not prepared. Listings of held payments were not periodically reviewed. Adjustments totaling \$32,890 were made to the November 1998 bank reconciliation for duplicate checks that were issued and cashed.

Missing Records

Various accounting records maintained by the Child Support Department including deposit reports, check registers, and canceled checks for September 1998 to December 1998 were missing. In addition, various accounting records prepared by the Criminal Division including the June 30, 1998, open-items lists, deposit slips, deposit records, canceled checks and case files were missing.

Civil Division

The open-items listing was not accurate and was not periodically reconciled to the applicable cash and investment balance. Computer records and manual records for each case did not always agree and case files did not include some pertinent financial information. Controls over the Cashier's drawers were not adequate and the name of the payor was not entered for each receipt. A printout of non-posted transactions was not periodically printed and reviewed and the mail log was not reconciled to the receipts entered for the day. Disbursements to the city were not always made timely and the court was holding old outstanding checks. Correction forms were not prenumbered and documentation was not maintained in the case files to support changes to the computer. Sixteen checks could not be located and returned checks were not always voided on the computer timely. There was no supervisory review of the disbursements prepared by the Assistant Finance Manager.

Costs for Civil Cases

Upon case closure, civil case files are sent through various departments in the Circuit Clerk's Office and then sent to the Taxing Department. The Taxing Department calculates which charges are due on the case. The taxing information is entered on the inside back cover of each case to summarize charges and disbursements of the case. Once the charges have been taxed, the case file is sent to the File Room.

If the filing fees are equal to or greater than the charges taxed and the plaintiff was ordered to pay court costs, the court costs are applied to the applicable funds for distribution and a refund check is issued, if necessary. For most cases, if the filing fee is less than the charges or the defendant was ordered to pay courts costs, a billing is generated by the Taxing Department and sent to the applicable party. However, monies on hand were not disbursed or refunded until all costs were collected from the proper party.

The court was holding over \$8.5 million on cases that had already been finalized or on which additional costs were still due. In addition, second bills for costs due were not sent and court costs were not applied and disbursed on a timely basis. Records were not maintained to document total amounts due to the court and the court did not have procedures to review accrued costs, prorate amounts collected, and write off amounts deemed uncollectible.

The current Circuit Clerk has provided responses throughout the report which are in agreement with our audit's recommendations.

TWENTY-SECOND JUDICIAL CIRCUIT
ST. LOUIS CITY, MISSOURI
CIRCUIT CLERK FUND

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CIRCUIT CLERK FUND

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

Presiding Judge and Court en banc
and
The Circuit Clerk of the
Twenty-Second Judicial Circuit
St. Louis City, Missouri

We have audited the special-purpose financial statements of the Circuit Clerk Fund of the Twenty-Second Judicial Circuit, St. Louis City, Missouri, as of and for the six months ended December 31, 1998, and as of and for the year ended June 30, 1998, as identified in the table of contents. These special-purpose financial statements are the responsibility of the judicial circuit's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in paragraphs four and five, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash and investments of the Circuit Clerk Fund of the Twenty-Second Judicial Circuit, St. Louis City, Missouri, and are not intended to be a complete presentation of the financial position and results of operations of the Circuit Clerk Fund.

As discussed in Note 4 to the financial statements, there was evidence of fraud in the Criminal Division. Also, the internal control procedures and accounting records of the Circuit Clerk's Criminal Division were not adequate. As noted in our report on our Special Review of the Circuit Criminal Division - Finance Department - Cash Bond Deposits, Report No. 99-39, we found evidence of fraud concerning bond monies received by the Finance Department. Also, the Circuit Clerk's - Criminal

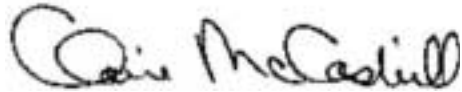
Division - Finance Department did not always account for the numerical sequence of receipt slips and duties were not adequately segregated. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to the receipts and disbursements of the Criminal Division beyond amounts recorded in the Criminal Division's records for the six months ended December 31, 1998, and the year ended June 30, 1998.

Internal controls and accounting records of the Child Support Division for the six months ended December 31, 1998, were inadequate. The December 1998 bank reconciliation was not completed until December 1999 and duties were not adequately segregated. The accounting records were not adequately maintained and certain deposit reports, check registers, and canceled checks could not be located or recreated. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to the receipts and disbursements of the Child Support Division beyond amounts recorded in the Child Support Division's records for the six months ended December 31, 1998.

In our opinion, except for the effects, if any, on the financial statements of the matters discussed in the preceding two paragraphs, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash and investments of the Circuit Clerk Fund of the Twenty-Second Judicial Circuit, St. Louis City, Missouri, as of and for the six months ended December 31, 1998, and as of and for the year ended June 30, 1998, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 19, 1999, on our consideration of the Office of the Circuit Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the State Courts Administrator's office, St. Louis City, and the Twenty-Second Judicial Circuit and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.

A handwritten signature in black ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

August 19, 1999 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	Douglas J. Porting, CPA
In-Charge Auditor:	Kenneth Steinkamp
Audit Staff:	Jennifer Redenbaugh, CPA
	Francis Verslues
	Terrance Sneed



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Presiding Judge and Court en banc
and
The Circuit Clerk of the
Twenty-Second Judicial Circuit
St. Louis City, Missouri

We have audited the special-purpose financial statements of the Circuit Clerk Fund of the Twenty-Second Judicial Circuit, St. Louis City, Missouri, as of and for the six months ended December 31, 1998, and for the year ended June 30, 1998, and have issued our report thereon dated August 19, 1999. That report expressed a qualified opinion on the special-purpose financial statements. Except as discussed in that report, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of the Circuit Clerk Fund of the Twenty-Second Judicial Circuit, St. Louis City, Missouri, are free of material misstatement, we performed tests of the judicial circuit's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain other instances of noncompliance which are presented in the accompanying Management Advisory Report.

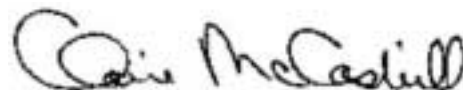
Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of the Circuit Clerk Fund of the Twenty-Second Judicial Circuit, St. Louis City, Missouri, we considered the judicial circuit's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to

provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the judicial circuit's ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses, and these matters are presented in the accompanying Management Advisory Report.

This report is intended for the information of the management of the Office of Circuit Clerk, Twenty-Second Judicial Circuit, St. Louis City, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

August 19, 1999 (fieldwork completion date)

Financial Statements

Exhibit A

TWENTY-SECOND JUDICIAL CIRCUIT
ST. LOUIS CITY, MISSOURI
CIRCUIT CLERK FUND
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
AND INVESTMENTS
SIX MONTHS ENDED DECEMBER 31, 1998

	Civil Account	Child Support Account	Criminal Account	Garnishment Account	Special Interest Account	Total (Memorandum Only)
RECEIPTS						
Court deposits, fees, bonds, and others	\$ 2,781,779	0	874,021	2,202,535	198	5,858,533
Child support	0	17,020,756	0	0	0	17,020,756
Interest income	303,886	0	6,673	3,238	4,757	318,554
Transfers in	0	0	0	0	259,273	259,273
Total Receipts	3,085,665	17,020,756	880,694	2,205,773	264,228	23,457,116
DISBURSEMENTS						
State of Missouri:						
Court fees	362,303	0	94,255	0	0	456,558
Title IV-D	0	4,170,697	0	0	0	4,170,697
City officials	643,543	0	89,825	0	250,000	983,368
Child support	0	12,018,927	0	0	0	12,018,927
Supplies and equipment	0	0	0	0	70,464	70,464
Refunds and other	1,940,014	0	735,606	2,079,448	0	4,755,068
Transfers out	248,784	0	6,327	4,162	0	259,273
Total Disbursements	3,194,644	16,189,624	926,013	2,083,610	320,464	22,714,355
RECEIPTS OVER (UNDER) DISBURSEMENTS	-108,979	831,132	-45,319	122,163	-56,236	742,761
CASH AND INVESTMENTS, JULY 1	13,792,675	396,886	892,842	67,834	224,965	15,375,202
CASH AND INVESTMENTS, DECEMBER 31	\$ 13,683,696	1,228,018	847,523	189,997	168,729	16,117,963

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

TWENTY-SECOND JUDICIAL CIRCUIT
ST. LOUIS CITY, MISSOURI
CIRCUIT CLERK FUND
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
AND INVESTMENTS
YEAR ENDED JUNE 30, 1998

	Civil Account	Child Support Account	Criminal Account	Garnishment Account	Special Interest Account	Total (Memorandum Only)
RECEIPTS						
Court deposits, fees, bonds, and others	\$ 7,209,098	0	1,815,024	3,288,271	26,648	12,339,041
Child support	0	34,514,627	0	0	0	34,514,627
Interest income	588,459	0	11,187	3,965	9,375	612,986
Transfers in	0	0	0	0	570,347	570,347
Total Receipts	7,797,557	34,514,627	1,826,211	3,292,236	606,370	48,037,001
DISBURSEMENTS						
State of Missouri:						
Court fees	502,069	0	185,094	0	0	687,163
Title IV-D	0	7,377,191	0	0	0	7,377,191
City officials	714,421	0	137,097	0	475,000	1,326,518
Child support	0	27,220,943	0	0	0	27,220,943
Supplies and equipment	0	0	0	0	98,039	98,039
Refunds and other	3,552,339	0	1,070,355	3,294,224	0	7,916,918
Transfers out	530,523	0	39,824	0	0	570,347
Total Disbursements	5,299,352	34,598,134	1,432,370	3,294,224	573,039	45,197,119
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,498,205	-83,507	393,841	-1,988	33,331	2,839,882
CASH AND INVESTMENTS, JULY 1	11,294,470	480,393	499,001	69,822	191,634	12,535,320
CASH AND INVESTMENTS, JUNE 30	\$ 13,792,675	396,886	892,842	67,834	224,965	15,375,202

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

TWENTY-SECOND JUDICIAL CIRCUIT
ST. LOUIS CITY, MISSOURI
CIRCUIT CLERK FUND
NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present only selected data for the Circuit Clerk Fund, Twenty-Second Judicial Circuit, St. Louis City, Missouri.

Receipts, disbursements, and changes in cash and investments are presented for the Circuit Clerk Fund administered by the Office of the Circuit Clerk, Twenty-Second Judicial Circuit, St. Louis City, Missouri. The operating costs of the office are paid directly from appropriations authorized by the St. Louis City Board of Aldermen and the state of Missouri, and are not included in these financial statements.

The "Total (Memorandum Only)" column is presented as additional analytical data. Because this column does not identify the restrictions that exist by fund, it should be read only with reference to the details of each fund.

B. Basis of Accounting

The Statements of Receipts, Disbursements, and Changes in Cash and Investments for the Circuit Clerk Fund, Office of the Circuit Clerk, Twenty-Second Judicial Circuit, St. Louis City, Missouri, are prepared on the cash basis of accounting; accordingly, amounts are recognized when they are received or disbursed. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Fiscal Authority and Responsibility

The Office of the Circuit Clerk, Twenty-Second Judicial Circuit, St. Louis City, Missouri, includes the transactions of the circuit divisions, associate circuit divisions, and the juvenile office.

The Circuit Clerk has been charged with the responsibility of administering the transactions of the circuit divisions, associate circuit divisions and juvenile office.

The Office of the Circuit Clerk, Twenty-Second Judicial Circuit, St. Louis City, Missouri, administers transactions within the Circuit Division (Circuit Clerk) Fund. These

transactions include receipts and disbursements of the civil, child support, criminal, garnishment, and special interest accounts for the circuit and associate circuit divisions. The civil account includes transactions for the courthouse restoration account, family court account, juvenile office, refund accounts, restricted accounts and investments.

2. Cash and Investments

Section 483.310, RSMo Cumulative Supp. 1999, authorizes circuit courts to place their funds in savings deposits in banks and savings and loan associations or in U.S. Treasury bills.

Cash includes both deposits and investments. In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of deposits and investments. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks and savings institutions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

The Circuit Clerk's deposits at December 31, 1998 and June 30, 1998, were entirely covered by federal depositary insurance or by collateral securities held by the Federal Reserve in the Circuit Clerk's name.

However, because of significantly higher bank balances at certain times during the year, uninsured and uncollateralized balances existed at those times although not at year-end.

To protect the safety of deposits, Section 110.020, RSMo 1994, requires depositaries to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation.

Investments

The Circuit Clerk's only investments of the various funds at December 31, 1998, were repurchase agreements with reported amounts of \$1,337,316, which approximated fair value.

These investments represent uninsured and unregistered investments for which the securities were held by the Federal Reserve in the Circuit Clerk's name.

The Circuit Clerk's only investment at June 30, 1998, was a U.S. Treasury bill with a reported amount of \$101,454 (which approximated fair value). The investment was held by the court's custodial bank in the Circuit Clerk's name.

3. Transfers

Transfers during the year were as follows:

	<u>Civil Account</u>	<u>Criminal Account</u>	<u>Garnishment Account</u>	<u>Special interest Account</u>
Cash transferred to Special Interest Account:				
Six months ended December 31, 1998	\$ (248,784)	(6,327)	(4,162)	259,273
Year ended June 30, 1998	\$ (530,523)	(39,824)	0	570,347

4. Missing Funds

The State Auditor's report "Special Review of the Circuit Criminal Division - Finance Department - Cash Bond Deposits," Report No. 99-39, for the time period July 1, 1997 through December 31, 1998, noted a misappropriation of at least \$9,300 in the Criminal Division - Finance Department. These monies are not included in the receipts and disbursements on the financial statements.

5. Criminal Division Monies Held in Civil Account

Criminal Account monies totaling \$885,000 are included in the Civil Account cash balances. This money is currently being held in certificates of deposit which are included in the Civil Account balance.

Supplementary Data

Schedule 1

TWENTY-SECOND JUDICIAL CIRCUIT
ST. LOUIS CITY, MISSOURI
CIRCUIT CLERK FUND

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
AND INVESTMENTS

CIVIL ACCOUNT

SIX MONTHS ENDED DECEMBER 31, 1998

	Civil Refund Account	Restricted Accounts	Family Court Account	Courthouse Restoration Account	Total (Memorandum Only)
RECEIPTS					
Court deposits, fees, bonds, and others	\$ 2,403,081	44,848	23,190	310,660	2,781,779
Child support	0	0	0	0	0
Interest income	255,091	46,898	484	1,413	303,886
Transfers in	0	0	0	0	0
Total Receipts	2,658,172	91,746	23,674	312,073	3,085,665
DISBURSEMENTS					
State of Missouri:					
Court fees	362,303	0	0	0	362,303
Title IV-D	0	0	0	0	0
City officials	326,743	0	0	316,800	643,543
Child support	0	0	0	0	0
Supplies and equipment	0	0	0	0	0
Refunds and other	1,624,199	285,982	29,833	0	1,940,014
Transfers out	248,784	0	0	0	248,784
Total Disbursements	2,562,029	285,982	29,833	316,800	3,194,644
RECEIPTS OVER (UNDER) DISBURSEMENTS	96,143	-194,236	-6,159	-4,727	-108,979
CASH AND INVESTMENTS, JULY 1	11,149,993	2,282,142	43,532	317,008	13,792,675
CASH AND INVESTMENTS, DECEMBER 31	\$ 11,246,136	2,087,906	37,373	312,281	13,683,696

Schedule 2

TWENTY-SECOND JUDICIAL CIRCUIT
ST. LOUIS CITY, MISSOURI
CIRCUIT CLERK FUND

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
AND INVESTMENTS

CIVIL ACCOUNT

YEAR ENDED JUNE 30, 1998

	Civil Refund Account	Restricted Accounts	Family Court Account	Courthouse Restoration Account	Total (Memorandum Only)
RECEIPTS					
Court deposits, fees, bonds, and others	\$ 4,424,581	2,102,142	47,580	634,795	7,209,098
Child support	0	0	0	0	0
Interest income	509,134	76,349	993	1,983	588,459
Transfers in	0	0	0	0	0
Total Receipts	4,933,715	2,178,491	48,573	636,778	7,797,557
DISBURSEMENTS					
State of Missouri:					
Court fees	502,069	0	0	0	502,069
Title IV-D	0	0	0	0	0
City officials	394,451	0	0	319,970	714,421
Child support	0	0	0	0	0
Supplies and equipment	0	0	0	0	0
Refunds and other	2,302,148	1,193,102	57,089	0	3,552,339
Transfers out	530,523	0	0	0	530,523
Total Disbursements	3,729,191	1,193,102	57,089	319,970	5,299,352
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,204,524	985,389	-8,516	316,808	2,498,205
CASH AND INVESTMENTS, JULY 1	9,945,469	1,296,753	52,048	200	11,294,470
CASH AND INVESTMENTS, JUNE 30	\$ 11,149,993	2,282,142	43,532	317,008	13,792,675

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Current Recommendations

TWENTY - SECOND JUDICIAL CIRCUIT
ST. LOUIS CITY, MISSOURI
CIRCUIT CLERK FUND
SUMMARY OF FINDINGS

1. Criminal Division - Cashier's Office (pages 22-28)

The Criminal Division's safe was not always locked during the day. The numerical sequence of receipt slips was not accounted for properly, several unexplained changes were made to receipt slips and receipts were not always deposited timely. Some accounting duties were not adequately segregated, adequate information on payments received was not always entered on the computer and reconciliations between receipt slips issued and payments posted on the computer were not always performed. Monthly bank reconciliation procedures were inadequate. An independent reconciliation of receipts, disbursements, and transfers posted to the general ledger was not performed. An open-items listing was not prepared for some items, the Criminal Division had \$107,757 in unidentified monies and the bond open-items listing at December 31, 1998, included numerous old bonds.

2. Costs for Criminal Cases (pages 29-33)

A listing of accrued costs and restitution was not maintained and some monies were not disbursed properly. Criminal costs billings were not sent on a timely basis, nor was the city reimbursing appropriate criminal cost bills. Crime Victim's Compensation judgments were not collected from defendants assigned to St. Louis City's Medium Security Institution (MSI). The court did not prorate partial payments received on court costs.

3. Child Support Department (pages 34-41)

Receipts were not posted to the cash control records timely, nor were they deposited daily. Deposit report totals were not agreed to bank deposits or monies on hand. Bank reconciliations had not been prepared timely. Some accounting duties were not adequately segregated or reviewed by a supervisor. The cash balance exceeded the open-items listing by \$281,000 at December 31, 1998 and open-items listings for the Parent Locator and Dissolution bank accounts were not prepared. Listings of held payments were not periodically reviewed. Adjustments totaling \$32,890 were made to the November 1998 bank reconciliation for duplicate checks that were issued and cashed. Manual records of control totals were not maintained to compare to the computer records and some monthly reports were not printed timely. Adequate information was not provided to the city to allow for the proper disbursement of the non IV-D record-keeping fee.

4. Computer Operations and Controls (pages 41-43)

Passwords were not kept confidential. Access to certain programs and data files were not adequately restricted and change reports were not generated.

5. Missing Records (page 43)

Various accounting records maintained by the Child Support Department and Criminal Division were missing.

6. Civil Division (pages 44-52)

The open-items listing was not accurate and was not periodically reconciled to the applicable cash and investment balance. Computer records and manual records for each case did not always agree and case files did not include some pertinent financial information. Controls over the Cashier's drawers were not adequate and the name of the payor was not entered for each receipt. A printout of non-posted transactions was not periodically printed and reviewed and the mail log was not reconciled to the receipts entered for the day. Disbursements to the city were not always made timely and the court was holding old outstanding checks. Correction forms were not prenumbered and documentation was not maintained in the case files to support changes to the computer. Sixteen checks could not be located and returned checks were not always voided on the computer timely. There was no supervisory review of the disbursements prepared by the Assistant Finance Manager.

7. Costs for Civil Cases (pages 53-56)

The court was holding over \$8.5 million on cases that had already been finalized or on which additional costs were still due. In addition, second bills for costs due were not sent and court costs were not applied and disbursed on a timely basis. Records were not maintained to document total amounts due to the court and the court did not have procedures to review accrued costs and write off amounts deemed uncollectible.

8. Certified Copies Department (pages 56-58)

Controls over copy monies received were inadequate.

9. Garnishment Office (pages 58-60)

Garnishment disbursements were not always made on a timely basis. Monthly open-items listings did not agree to the bank balance and old outstanding checks were being held.

10. Special Interest Account (pages 60-61)

Bids were not always solicited nor was bid documentation always retained for expenditures made from the Special Interest Account.

11. Juvenile Office (pages 61-64)

Accounting duties over accrued costs were not adequately segregated.

TWENTY-SECOND JUDICIAL CIRCUIT
ST. LOUIS CITY, MISSOURI
CIRCUIT CLERK FUND
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S CURRENT RECOMMENDATIONS

We have audited the special-purpose financial statements of the Office of Circuit Clerk, Twenty-Second Judicial Circuit, St. Louis City, Missouri, as of and for the six months ended December 31, 1998, and as of and for the year ended June 30, 1998, and have issued our report thereon dated August 19, 1999. That report expressed a qualified opinion on the special-purpose financial statements.

The following Management Advisory Report presents our findings and recommendations arising from our audit of the office's special-purpose financial statements. During our audit, we also identified certain management practices which we believe could be improved. Our audit was not designed or intended to be a detailed study of every system, procedure, and transaction. Accordingly, the findings presented in the following report should not be considered as all-inclusive of areas where improvements may be needed.

1.	Criminal Division - Cashier's Office
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The Circuit Criminal Division accepts checks, money orders, and cash payments of fines, court costs, bonds, and restitution. There were normally four clerks in the office during the audit period. Three of these clerks served as cashiers, in addition to performing their regular duties as bookkeeper, cashier supervisor, and assistant finance manager. The Criminal Division handled receipts totaling approximately \$881,000 and \$1,826,000 for the six months ended December 31, 1998, and the year ended June 30, 1998, respectively.

A. Monies received are recorded on a manual one-write receipt system. Each cashier has a separate cash drawer and individual, unique codes are used to access the drawers. At the end of the day, each cashier balances their drawer to the receipts recorded on the one-write receipt ledger. The cashier's supervisor recounts the money and agrees the cash composition of receipts to the one-write ledger and prepares the deposit. Monies to be deposited are placed in envelopes and stored in a combination safe until the security officers arrive to pick up the deposit the next day. We noted the following concerns:

- 1) The door to the safe is frequently left open throughout the day. The cashier's supervisor and assistant finance manager are not always in the room to watch over the safe contents. Various court employees pass through the Cashier's Office each day. The safe should be locked at all times to ensure that cash is adequately safeguarded.
- 2) The numerical sequence of prenumbered receipt slips was not accounted for properly. We noted several receipt numbers which were not shown as used or

voided. Cashiers also frequently change information entered on receipt slips through the use of "white-out", carbon paper, or other means. Explanations of these changes were not adequately documented in the receipt records.

To ensure all monies receipted are properly handled, the numerical sequence of receipt slips should be accounted for properly and any changes made to receipt slips should be done by issuing a new receipt slip and voiding and retaining the old receipt slip. Any unusual problems in recording transactions should be clearly documented and thoroughly explained.

- 3) The supervisor was to perform a reconciliation to compare the daily one-write pages to the daily deposit. We noted numerous differences between the daily one-write pages and deposit totals which were not adequately documented or explained in the accounting records. In addition, the cashier supervisor frequently changed the payment information entered on receipt slips from cash to money order and vice-versa. Complete documentation of the reconciliation performed, and any necessary corrections, should be retained to support conclusions and any corrections made to facilitate independent reviews.
- 4) Receipts were not always deposited in a timely manner. We noted several instances where monies received were not deposited for three to four business days. The average daily collections between July 1, 1998 and December 31, 1998, totaled approximately \$6,600, half of which was cash.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited intact daily or when accumulated receipts exceed \$100.

B. The following concerns were noted regarding supervision and segregation of duties:

- 1) The bookkeeper is responsible for receiving payments, recording cash transactions, issuing and canceling warrants, generating and recording disbursement vouchers, reconciling receipts to deposits, maintaining open-items listings, and making adjustments to accounting records. In addition, there is no independent reconciliation between receipts, disbursements, and transfers posted to the general ledger accounts by the bookkeeper and totals recorded on the cash control records, one-write receipt ledgers, and disbursement vouchers.
- 2) The Criminal Division uses the Regional Justice Information System (REJIS) to track court costs assessed, amounts paid, and amounts due to the court for each criminal case. Warrants are also issued through the REJIS system. The duties for entering case payment information and issuing and canceling warrants are not adequately segregated. Cashiers record receipts in case files and the supervisor, assistant supervisor, and bookkeeper, who also frequently function as cashiers,

enter payment information on the REJIS system from the case files. In addition, when a payment is made by a defendant with an outstanding warrant, the cashiers can cancel the outstanding warrant on the REJIS system. The receipt slip number, amount paid, and the balance due do not have to be recorded on REJIS to cancel the warrant.

Cashiers should not have access to change or enter payment information to the computer system. At a minimum, the Circuit Clerk should designate an employee with no receipt handling responsibilities to reconcile payments recorded on the computer system to payments recorded in the one-write receipt ledgers.

- 3) Payments recorded on the REJIS system are not reconciled to payments recorded in the one-write receipt ledgers. To ensure all payments are recorded accurately on the computer, the department should agree payments recorded on the REJIS system to receipts recorded in the receipt ledgers.

The activity posted to the REJIS system serves as the case history. To ensure all payments are accounted for properly and can be reconciled to the receipt ledger and all case files are accurate and complete, the court should record the receipt slip number and amount paid to the REJIS system. The court should then complete and document the reconciliation on a timely basis.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Proper segregation of duties helps to provide this assurance. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent supervisory review.

- C. Monthly bank reconciliation procedures were inadequate. A reconciliation between the bank statement and the general ledger and cash control records was not performed. Instead, bank transactions were only reconciled with bank deposit slips and the check register prepared by the Data Processing Department. We noted several large differences between the bank statement and transactions recorded in the cash control records and general ledger, which were not investigated or reconciled. In addition, numerous errors were made by the bookkeeper when posting receipts and disbursements to the various accounting records. For example, daily receipt totals recorded in the one-write ledgers were often incorrectly posted to the receipts journal. Also, some check sequences and voided check sequences were never recorded in the disbursement journal or transfer journal. Adequate bank reconciliations would help ensure such errors are identified and corrected.

Accurate, complete bank reconciliations are necessary to ensure all monies are accounted for properly, accounting records are correct and to identify errors on a timely basis.

D. The Criminal Division deposits bond monies, restitution payments, court costs, and other monies it receives into one checking account. A general ledger is maintained to account for balances of monies held in trust by the court. The reconciled bank account balance at December 31, 1998, was \$847,522.

- 1) Approximately \$107,757 in unidentified monies is accounted for in the "Miscellaneous" general ledger liability account and has been held in the checking account for the past several years. In addition, the general ledger liability account balances are not periodically reconciled with the cash balance. At December 31, 1998, total liabilities exceeded the cash balance by \$42,643. Listings of open items should be prepared monthly and reconciled to the checking account balances to provide assurance that all records are in balance and sufficient funds are available to cover liabilities. Monies due to other parties should be distributed accordingly. Sections 447.500 through 447.585, RSMo Cumulative Supp. 1999 (which relate to unclaimed property), should be used to disburse any unidentified or unclaimed monies.
- 2) An open-items listing associated with collected partial payments held in trust is not prepared and consequently is not reconciled to the cash balance. When the Criminal Division - Finance Department receives a significant payment of fines and court costs, the amount paid is disbursed that same month. However, if a defendant makes a small payment on the fines and costs, the payment remains on deposit until another significant payment is made, the costs are paid in full, or the court determines the costs will probably not be collected.

To ensure that there is sufficient cash to cover all liabilities for open cases, accurate and complete open-items listings should be prepared monthly and reconciled to the cash balance.

- 3) The bond open-items listing at December 31, 1998, included numerous old bonds, some which had been held over fifteen years. Current procedures require sureties to physically appear to apply for a bond refund. The Finance Department is currently reviewing open bonds in the bond ledger to ensure they are open. Some old unclaimed bonds have been identified as closed and disbursed but many still remain open in the bond ledger. A review should be made of any bonds posted by persons who failed to make the required court appearance to determine if the bonds should be forfeited and monies paid over to the city treasury as provided by Section 479.210, RSMo 1994. For those bonds which cannot be forfeited and remain unclaimed, Section 447.595, RSMo 1994, requires bonds remaining unclaimed for one year after disposition of the case be turned over to the state's Unclaimed Property Section.

These conditions were noted in our prior report.

WE RECOMMEND the Circuit Clerk:

- A.1. Ensure the Criminal Division's safe remains locked at all times.
- 2. Ensure the numerical sequence of all receipt slips issued is accounted for properly. In addition, void and retain incorrectly written receipt slips and thoroughly document any changes to the receipt records.
- 3. Ensure a documented reconciliation of receipts slips issued to monies deposited is performed by someone independent of cash receiving or recording functions. All differences should be investigated in a timely manner and their resolution documented.
- 4. Deposit receipts intact daily or when accumulated receipts exceed \$100.
- B. Provide for adequate segregation of duties and ensure that independent reconciliations and reviews of accounting records are performed. In addition, ensure the receipt slip number and amount paid is included for all receipts recorded into the computer and receipts recorded on REJIS are reconciled to receipts recorded in the one-write receipt ledgers.
- C. Prepare complete and accurate bank reconciliations. In addition, ensure transactions recorded in various accounting records agree with information recorded in source documents (such as the one-write ledger and check reports).
- D. Prepare and maintain a separate open-items listing for each general ledger account and reconcile balances to bank and book balances. In addition, all monies currently held in the old checking account should be identified and properly disbursed, if possible. Unclaimed bonds should be disposed of in accordance with state law. Any monies that cannot be identified should be disbursed to the State Treasurer's Unclaimed Property Section in accordance with state law.

AUDITEE'S RESPONSE

- A.1. *We agree. We will establish a written policy that the safe will remain locked at all times. A newly created supervisor position will perform spot checks of the safe to ensure compliance with the new policy. We will require the supervisor to document in her weekly report when the spot checks were performed and the results. In addition, we will establish a written policy that no one other than assigned finance personnel will be allowed in the Criminal Cashier's Office.*

Our goal is to immediately implement these changes.

- A.2. *We agree. In May 1999, the Criminal Finance Department automated the receipting of criminal monies. The computerized cashiering system will address the problem of changing or altering the information on the receipt slip. The Criminal Cashier Supervisor (CCS) will be responsible for the accounting of the pre-numbered computer generated receipt slips. The computer program retains all void transactions. The cashiers cannot void a transaction and they do not have access to the stored information on voids. Only the Assistant Finance Manager and the Receipting Supervisor (RS) can void a transaction, and neither of these managers ever directly handles receipts. The RS will be responsible for reconciling the voids and reporting weekly to the Finance Director the use of voids.*

The computer program will be able to report, at desired intervals, the number of voids and who created the void. The void report and other reports will be reviewed by the Finance Director and be part of the Finance Director's monthly report to the Circuit Clerk.

This plan of action is dependent upon anticipated computer programming enhancements. When these enhancements will be implemented is dependent upon several circumstances, the availability of funds and the priority assigned to these enhancements in relationship to other planned computer changes. Therefore, we cannot give a date by which this goal will be met, but we anticipate implementation of this plan within one year.

- A.3. *We agree. The RS will reconcile the computerized deposit report to the daily deposit slip. The reconciliation will include the comparison of the composition of the deposit report to the deposit slip. All differences will be documented or explained in the accounting records by the CCS.*

Our goal is to have these fully implemented within six months.

- A.4. *We agree. The RS will be responsible for ensuring that deposits are made daily and intact. In addition, the Bookkeeping Department will document the timeliness of deposits when the general ledger is reconciled.*

The Bookkeeping Department's reorganization is part of the general reorganization of the Finance Department. As a result of the plan, Bookkeeping has a new supervisor and three newly assigned employees. It will take several months for Bookkeeping to overcome a backlog of work and the initial learning curve to become a cohesive and effective team. Therefore, our goal is to have this part of the plan implemented within six months.

- B. *We agree. After the discovery of the missing bond monies, we segregated the Bookkeeper's duties. Currently, no cashier who receipts money has any bookkeeping function. Under the current system, there is a supervisor who presently supervises the three cashiers and is responsible for the receiving and depositing of cash and checks. Employees who do not report to either the CCS or the RS, do all bookkeeping functions.*

Additionally, as part of the new automated system, the receipting of payments by the cashier creates by automation a minute entry of the payment into the REJIS case management system for that particular criminal case. The computerized criminal cashier system transmits payment minutes to REJIS nightly. The REJIS minute entry now includes the computerized receipt number and the amount paid.

These automated changes have been fully implemented. We are continuing to monitor this change to assure that it is functioning as planned. We continue to review accounting duties to ensure there is proper segregation.

- C. *We agree. During our recent reorganization of the Finance Department, we expanded the responsibilities of the Bookkeeping Department. The Bookkeeping Department will be responsible for preparing bank reconciliations for all bank accounts. In addition, their duties will include ensuring the transactions recorded in the various accounting records agree with information recorded in source documents.*

Given the state of the Bookkeeping Department, as discussed above, our goal is to have these changes fully implemented within one year.

- D. *We agree. The computerized cashiering system has the ability of maintaining an open-items list for receipts after May 1999. We are in the process of making the system fully operational, adding the disbursement information and functionality to the open-items list. There are two other impediments to implementing this recommended action. First, as discussed in the general response that follows, the integrity of the records prior to May 1999 is questionable. As such, the office must be reasonably certain that the party identified in the record is entitled to the funds indicated by the records. Second, as the fiduciary, the Circuit Clerk not only has to be reasonably certain that the correct person and amount has been identified, the Circuit Clerk needs to take all appropriate measures to locate the payees so that the office can reissue the checks. Once the office knows who is owed what, and that the identified payees cannot be located, the office will properly disburse the unclaimed monies as required by state law.*

Our goal is to have this policy fully implemented within one year for cases initiated after 1999. It is not possible to give a date for achievement of this goal with respect to cases filed prior to 1999, as we need to determine the extent of the problem and then prepare a plan of action to correct the deficiencies.

Also, see "General Response to Findings in Criminal Finance" beginning on page 62.

2.

Costs for Criminal Cases

- A. A listing of accrued costs and restitution owed to the court is not maintained by the Circuit Clerk and monitoring procedures related to accrued costs are not adequate. By not adequately monitoring accrued costs, these costs could remain uncollected and might eventually result in lost revenue.

A complete and accurate listing of accrued costs would allow the Circuit Clerk to more easily review the amounts due to the court and to take appropriate steps to ensure amounts owed are collected on a timely basis.

- B. Fees and fines collected by the Circuit Clerk were not remitted in a timely manner. Section 488.023, RSMo Cumulative Supp. 1999, requires the Circuit Clerk to remit all fees collected monthly.

Each month, totals recorded on the one-write receipt ledgers are used to calculate the amounts due to the state, city, and Board of Education. These collections are then supposed to be remitted around the fifteenth of the next month. Monthly collections due to the State of Missouri, the City of St. Louis, and the St. Louis City Board of Education, based on selected months reviewed, averaged approximately \$17,200, \$13,200, and \$9,600, respectively. Though remittances of some fees and fines are made each month, the balances owed to each of these entities at December 31, 1998, amounted to five to eight times the average monthly remittance. As illustrated in the table below, balances began to accumulate in fiscal year 1995 and have remained relatively constant over the past two years.

Date	State	City	Board of Education
June 30, 1995	\$ 31,592	\$ 294	\$ 3,455
June 30, 1996	139,197	53,774	50,089
June 30, 1997	125,645	43,886	86,615
June 30, 1998	125,559	59,967	91,850
December 31, 1998	126,142	59,250	81,590

We identified several months in 1997 and 1998 where only a portion of fees and fines collected were remitted to the state, city, and Board of Education. In addition, based on the change in the balances from 1995 to 1996, it is likely some fees collected prior to the audit period were also not fully disbursed. At December 31, 1998, monies collected from these prior periods were still held in the Circuit Clerk's Criminal Division checking account.

- C. Section 550.020, RSMo 1994, allows for the reimbursement of costs in criminal cases from the state when the defendant is sentenced to imprisonment in the penitentiary. Section

550.030, RSMo 1994, allows for the reimbursement of costs in criminal cases from the county when the defendant is sentenced to imprisonment in the county jail.

- 1) The Criminal Division had not submitted criminal cost billings for the court costs to the state on a timely basis. During our review, we noted as of May 24, 1999, the division had not prepared the billings from March 1999. Section 33.120, RSMo Cumulative Supp. 1999, requires all bills of costs be submitted to the state's Office of Administration within two years of the date of judgement and sentence. Failure to bill these costs on a timely basis could result in lost revenue to the city.
- 2) Criminal cost bill reimbursements are not properly disbursed. When the Criminal Division sends a cost bill to the state for a defendant sentenced to the penitentiary, the state sends a cost reimbursement check directly to the Circuit Clerk's Office. The Circuit Clerk's Office transmits the entire check to the city without providing the information necessary for the city to allocate and disburse these monies to the appropriate parties.

In addition, an inventory of the Criminal Division's safe contents performed on April 14, 1999, uncovered a check for \$14,430 dated August 24, 1998, addressed to the St. Louis City Treasurer. This was a remittance from the State of Missouri for court costs billed to the state by the Circuit Clerk. The Assistant Finance Manager indicated the check was not turned over to the city because he believed that the amount billed to the state was incorrect and needed to be investigated.

- 3) The Criminal Division sends a criminal cost bill to the St. Louis City Comptroller's Office when a defendant is sentenced to St. Louis City's Medium Security Institution (MSI). However, the court never receives any reimbursement from the city.

Costs reimbursed by the state or billed to the city include clerk fees allowed by Section 483.530, RSMo Cumulative Supp. 1999, and court reporter fees allowed by Section 485.120, RSMo 1994. Clerk fees should be disbursed in accordance with Section 488.023, RSMo Cumulative Supp. 1999, which states that clerk fees shall be paid over by the responsible clerk not less frequently than monthly, with 80 percent of the fees paid to the director of the Missouri Department of Revenue (DOR), and 20 percent of the fees paid into the city treasury. Section 485.120, RSMo 1994, states court reporter fees should be paid back to the DOR. The Circuit Clerk's Office could not determine the amount of such fees billed directly to the city and never paid.

Since the city is retaining all criminal cost bill reimbursements from the state and is also not reimbursing the court for criminal costs billed for defendants sentenced to MSI, this results in a loss of revenue for the state.

Conditions 2. and 3. were also noted in our prior report.

- D. The Criminal Division does not collect Crime Victims' Compensation (CVC) judgments from defendants assigned to MSI. Section 595.045, RSMo Cumulative Supp. 1999, requires the court to enter a judgment against the defendant of \$68 for the conviction of a class A or B felony, \$46 for a class C or D felony, and \$10 for certain misdemeanors.

When a defendant is sentenced to a state prison, the state Department of Corrections collects the CVC judgment from the defendant and remits the monies to the Circuit Clerk. These monies are then remitted to the DOR. However, procedures have not been established to require MSI to collect and remit such judgments to the court.

Failure to establish procedures for the collection of CVC judgments from defendants assigned to MSI results in a loss of revenue to the state, noncompliance with the judge's orders, and an inequity to those defendants who do make payments.

This condition was also noted in our prior report.

- E. Judges sometimes allow defendants to make partial payments of fines and court costs. If the court receives a significant payment of fines and court costs, the amount paid is disbursed that same month. However, when making these disbursements, there are no set procedures as to which costs will be paid first and the amount paid is not prorated among the various costs. In addition, the court reviews felony case files with accrued costs once a year to determine uncollectibility and at that time, any monies still being held on that case are disbursed. Again, when making those disbursements, monies held are not prorated among the various costs. The court does not periodically review misdemeanor case files with accrued costs to determine uncollectibility.

For any partial payments received, the court should prorate the amount paid among the various costs. If it appears unlikely the remaining amounts owed will be collected, a court order should be obtained to allow the balance of monies held in the case to be prorated among the various costs. Old inactive case balances increase the volume of cases which must be monitored and controlled, putting a greater burden on personnel resources. In addition, failure to prorate available monies when it is unlikely the balance will be collected, deprives the state and city of the use of those monies.

This condition was also noted in our prior report.

WE RECOMMEND the Circuit Clerk:

- A. Maintain a complete listing of accrued costs and restitution and establish procedures to routinely follow-up and pursue timely collection.

- B. Ensure all fees and fines collected are remitted monthly in accordance with state law. In addition, verify and disburse all monies collected in prior periods due to the state, city, and Board of Education.
- C.1. Submit criminal cost billings to the state on a timely basis.
- 2. Provide St. Louis City with the information necessary to allow the Treasurer and Comptroller to allocate and disburse criminal cost reimbursements received from the state. In addition, the Circuit Clerk's Office should identify similar fees from prior years and ensure those additional amounts are properly disbursed. Ensure remittances from the State of Missouri for reimbursement of court costs are turned over to the city treasurer upon receipt.
- 3. Develop a system to monitor criminal costs billed to the city, including all past billings, and work with the city to ensure those criminal costs are disbursed to the appropriate parties, including the state.
- D. Establish procedures to ensure the collection of CVC judgments due from defendants sentenced to MSI and disburse these funds as required by state law.
- E. Prorate any partial payments received among the various costs. In addition, identify those cases which contain uncollectible additional court costs and obtain a court order to close those cases.

AUDITEE'S RESPONSE

- A. *We agree. The computerized cashiering system has the ability to track accrued costs and restitution. We will establish procedures and guidelines for monitoring the accrued costs. With additional software development, the current system can act as an automated probation officer for financial compliance with a defendant's term of probation. The system can be designed to generate a notice to a defendant on probation that the defendant owes money, and if a payment is not receipted notify and place the defendant on a docket for a court appearance in advance of the expiration of that defendant's term of probation. The judges have been advised of this potential automation capability and we await their direction as to whether this is a function they would like to have available.*

Our goal is to have this change fully implemented within one year from the date the judges indicate they would want to use this tool.

- B. *We agree. Improvements have been made relative to monthly disbursements of fines and fees collected. As part of the reorganization of the Finance Department, a new department has been created, the Disbursement Department. The Disbursement Department is to disburse all monies received by the Circuit Clerk's Office on a timely basis. As in most*

changes, we anticipate modifications to procedures which will become apparent as the office evaluates the department's experiences. Naturally, it will take time for the newly created department to develop cohesiveness and experience. Given these factors, our goal is to be current with payments within nine months.

C.1. We agree. The office intends to use automation as the lasting solution to the issues raised by the State Auditor. We are currently exploring ways to automate the compilation of costs once a case has been disposed. This process is made more difficult in criminal finance, because of the differences between the two computer systems used in the criminal courts; the REJIS case management system and the Karpel criminal finance system. As such, we anticipate implementing this plan within one year. In the interim, the office will redouble its efforts to timely compile these costs. Until the process is handled through automation, the Criminal Cashiers' office will calculate the costs and submit the proposed bills to the Assistant Finance Manager for review. Following the Assistant Manager's review, the request for payment will be sent to the judiciary and the Circuit Attorney's office for their respective approval, and thereafter submitted to the state for payment. At the time of this response, the office is current with its billing to the state.

C.2. We agree that checks received from the state that are payable to the city should be transmitted to the city on a timely basis. However, to eliminate the possibility of a delay in transmitting these checks to the city we will pursue with the state the option of having the checks sent directly to the city.

Until the procedures are changed, the Director of Finance will receive and record all reimbursement checks from the state which are payable to the City of St. Louis. The check will then be given to the Assistant Finance Manager so that he can prepare the Receipt Coding Form (RCF). After the RCF is prepared, the Director of Finance will review and approve the RCF. An intra-office carrier will hand deliver the check and the RCF to the City Treasurer's Office for deposit. The Director of Finance will compare the date stamped RCF to our receipt records so that the office can ensure the timely delivery of checks to the City of St. Louis.

Our goal is to have this policy fully implemented within nine months.

C.3. The office will ensure that its statutory obligation in submitting the bills referenced is met.

D. We agree. We will establish procedures for collecting Crime Victim's Compensation judgements from defendants assigned to MSI.

Given the fact that the accomplishment of this goal will require cooperation with outside agencies, we cannot state when this goal will be met.

- E. *We agree. The computerized cashiering system is planned to have the ability of disbursing partial payments on a monthly basis. We are currently working with the system's designer to make this function fully operational.*

Our goal is to have this policy fully implemented within one year, assuming the office has the funding to complete the work and the personnel to operate the system.

Also, see "General Response to Findings in Criminal Finance" beginning on page 62.

3. Child Support Department

The Child Support Department was divided into two sections until September 1998:

Parent Locator: Cases where child support rights had been assigned to the state of Missouri or where the Missouri Division of Child Support Enforcement (DCSE) was providing support enforcement services (Title IV-D). Receipts handled by the Parent Locator Department totaled approximately \$5,713,000 and \$31,380,000 for the six months ended December 31, 1998, and for the year ended June 30, 1998, respectively.

Dissolution and Uniform Support: Cases where child support was ordered to be paid through the court and reciprocal child support cases with other states. Receipts handled by the Dissolution and Uniform Support Department totaled approximately \$567,000 and \$3,402,000 for the six months ended December 31, 1998, and for the year ended June 30, 1998, respectively.

The Missouri Automated Child Support System (MACSS) was installed in September 1998 to record and manage the receipt and distribution of all child support payments. Prior to this, the Regional Justice Information System (REJIS) was used as the Child Support Department's accounting system. Receipts handled after the conversion to MACSS totaled approximately \$10,739,000 through December 31, 1998.

- A. Child support payments are batched shortly after they are received. Each batch total must be recorded to MACSS, which assigns a batch control number. Clerks then record individual receipts within the batch to the computer. The sum of the individually recorded receipts must reconcile to the batch total for the receipts to be recognized in the cash balance in MACSS. Deposit reports are generated the next day and are to list all individual receipts composing the reconciled batches. The individual receipts that are related to unreconciled batches are stored in the computer and a "Cash on Hand" report must be requested from the computer to view these. Our review of receipting and depositing procedures noted the following concerns:

- 1) Child support monies were not always recorded to the cash control records on a timely basis and reconciled to batch totals. Receipts were frequently not recorded to the system for two or three days after the batch date. An estimated \$152,000 in receipts batched in December were not recorded to the system until January 1999, resulting in an understatement of the December 31, 1998, system cash balance. Approximately \$83,000 of this was batched on December 30 and December 31, 1998. These receipts were not deposited and related checks prepared until they were recorded in January.

In addition, approximately \$12,000 remained unreconciled for weeks or months after payments were recorded and checks were issued to recipients. One batch, dated October 6, 1998, was not reconciled until July 1999. These monies were deposited into the bank despite their status as unreconciled, but they were not included in the system cash balance. The MACSS monthly system receipt total is the sum of deposit reports generated, not the sum of receipts recorded to the system. If a batch of receipts is not included on a daily deposit report, even though it has been deposited, MACSS will not recognize this batch in the system cash balance.

Bank deposits are to be reconciled to the MACSS reported receipt totals when the monthly bank reconciliations are prepared. The department does not perform any reconciliation of monies received with the reported receipt total to identify and account for unrecorded or unreconciled receipts. The MACSS monthly receipt total should be compared with reports of recorded receipts and unreconciled batches to ensure the system provides a complete and accurate total of receipts.

- 2) We noted thirty-four of sixty-three deposits made in September and October 1998 were not timely. Lags between batch dates and deposit dates ranged from three to ten business days.

Also, daily deposit reports often did not include all batches entered for the applicable day. For example, the deposit report generated on September 15, 1998, did not include four batches received the previous day. These four batches were excluded from that day's deposit, and were recorded, reconciled, and deposited at a later date.

- 3) The Child Support Department does not always agree deposit report totals to monies on hand for deposit. We noted several instances in September and October 1998 where actual amounts deposited differed from amounts recorded on deposit slips and deposit reports. In one instance, the actual monies deposited exceeded the reported deposit total by \$47,254. The daily deposit reports generated excluded several batches receipted that day. These batches, however,

were included in the bank deposit, resulting in an additional credit appearing on the bank statement. Someone independent of receipt and recording duties should compare monies on hand for deposit with deposit report totals and validated deposit slips to ensure monies received by the department are properly deposited.

To ensure receipts are accounted for properly, all receipts should be recorded to cash control records on a timely basis and receipts per the cash control records should be reconciled to bank deposits. In addition, to adequately safeguard child support receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited intact daily or when accumulated receipts exceed \$100. The department should account for batch numbers when the deposit is prepared to ensure all receipts are properly recorded. Batches which have not been recorded to the system should be deposited and promptly recorded the next working day.

- B. Bank reconciliations have not been prepared on a timely basis since MACSS was implemented in September 1998. The December 1998 bank reconciliation was not completed until December 1999. Bank reconciliations should be prepared on a monthly basis to ensure all accounting records are in balance, transactions have been properly recorded, and any errors or discrepancies are detected on a timely basis.
- C.1. The duties of receiving, recording, depositing and disbursing monies are not always adequately segregated. The assigned job duties of the Child Support Department allow for adequate segregation of duties. However, due to the new computer program and increasing work loads, these controls sometimes broke down. The supervisor would enter receipts into the computer system and reconcile the deposits when the clerks were behind. In addition, adequate reconciliations of receipt information to deposits is not performed by the overall division supervisor.

A similar condition was also noted in our prior audit.

- 2. The MACSS system allows access to “back out” a receipt. A receipt can be backed out for several reasons, such as worker error or a bad check received. When the receipt is “backed out” after having been posted to the case payment history, a negative amount and the date of back out will appear on the case payment history. In addition, the amount is deducted from the system cash balance. When a receipt is “backed out” before having been posted to the case payment history, the amount is simply never added to the system cash balance. Three people in the Child Support Department have access to back out receipts; however, no supervisory review of back outs is conducted.
- 3. Updates made on the computer for payees are not properly reviewed. The same employees entering payments on the system can make changes to the payee's name or address on the computer. Disbursements are automatically made to the payee named on the computer. To ensure the updates made on the computer are proper, someone

independent of the receipting process and independent of entering updates on the computer should periodically review changes made to payees on the computer.

A similar condition was also noted in our prior audit.

4. Five individuals in the Child Support Department have access to issue "demand checks". Demand checks are issued for such things as checks voided from the inactive parent locator and dissolution accounts, or if a check does not print clearly. There is no supervisory review of demand checks issued, and supporting documentation for the checks is not retained in the case files.

To adequately safeguard assets, the cash custody and record-keeping functions should be segregated where possible. Good internal controls over assets require the segregation of duties when possible or, at a minimum, periodic reviews or reconciliations by an individual other than the one maintaining the records to limit the possibility of undetected errors and the loss or misuse of funds.

- D.1. The open-items balance generated by MACSS is not reconciled to the cash balance on a periodic basis. At December 31, 1998, the system cash balance exceeded the open-items balance by approximately \$281,000. This difference appears to have resulted from monies transferred from another account which do not appear in the open-items balance.
2. The Child Support Department relies on the MACSS system to correctly process payments and issue checks to child support recipients. After money is received, the system issues checks to recipients when the support payments are due, not immediately upon receipt of the payment. When child support is prepaid, monies are held in the court's bank account and disbursed when they become due. Payments are also held if a current address is not available for a recipient, proper case information was not included on the payment received, or if the case has not been established on the system by the DCSE. The increasing number of payments being held in the account resulted in the December 31, 1998 cash balance increasing by over 200% during the last six months of calendar year 1998. The department does not periodically review listings of held payments to ensure that monies held in the account are being distributed when due.
3. An open-items listing for the Parent Locator and Dissolution accounts was not prepared on a regular basis. The reconciled bank balances at December 31, 1998, were \$134,441 in the Parent Locator account and \$1,115 in the Dissolution account. In addition, at December 31, 1998, old outstanding checks totaling \$91,784 had remained in the Parent Locator bank account in excess of one year. Due to the conversion to MACSS, both accounts have been inactive since September 1998.

An open-items listing for all accounts should be prepared and reconciled to the cash balances to ensure accounting records are in balance and that sufficient funds are available for the payment of liabilities. Complete documentation of reconciliations should be prepared and retained to support

conclusions and any corrections made to facilitate independent reviews. In addition, outstanding checks and held payment listings should be periodically reviewed to determine if the payees can be readily located and if there is a need to reissue the checks. If any payees cannot be located or monies remain unidentified, Sections 447.500 through 447.585, RSMo Cumulative Supp. 1999 (which relates to unclaimed property), should be used to disburse these monies.

Similar conditions were also noted in our prior report.

- E. Adjustments totaling \$32,890 were made to the November 1998 bank reconciliation for checks that were issued with the same identification numbers and were cashed twice by the recipients. The court indicated duplicate checks were issued at various times throughout the period of September 1, 1998 to December 31, 1998. The court could not provide a list of check numbers, payees, amounts or case numbers of the items that cleared the bank twice. In addition, other adjustments were made on the November 1998 bank reconciliation for checks and deposits clearing the bank at amounts different than recorded on the books, as well as other miscellaneous bank credits and debits. These adjustments totaled approximately \$66,000. The court has not been scanning their bank statements and following up on these adjustments monthly. Without timely follow up actions, the court could possibly not be able to recoup any monies lost due to these errors.

All instances of duplicate checks clearing the bank should be identified and the monies recouped from the appropriate party. In addition, the court should scan the monthly bank reconciliations and investigate the miscellaneous debits and credits timely.

- F. The court depends on the MACSS computer system to provide complete and accurate financial data. The Child Support Department does not maintain manual records of control totals for voids, back out receipts, deposits, or checks printed to verify with the computer reports generated by the system. During our review, we also noted various reports such as the Receipts Posted report, Disbursements Register, Deposits Register, Cash On Hand report, Voided Check report, and Back Out Register were not printed on a monthly basis.

Due to the design of the MACSS computer system, it is vital that the court print these reports promptly on the first day of every month, before new receipts are entered. These reports were run at our request, but we were unable to completely reconcile the information since they were not printed the first of every month. Without the above reports printed on the correct day, and in the absence of manual control totals, we were unable to fully reconcile receipts to deposits for September and October 1998.

- G. The non IV-D record-keeping fee was not properly disbursed from October through December 1998. Checks were printed weekly for this fee in the Child Support Department, and were to be turned over to the city treasurer. The Child Support Department transmitted the checks to the city without providing the information necessary

for the city to allocate and disburse these monies to the appropriate fund. Since all necessary information was not provided to the city, these checks were returned to the court by the city.

Failure to adequately perform basic accounting procedures and reconciliations, and establish proper controls, severely lessens the Child Support Department's ability to adequately account for monies received and disbursed and hampers the office's ability to function efficiently. Timely action should be taken to correct these various deficiencies.

WE RECOMMEND the Circuit Clerk:

- A.1. Post all receipts to cash control records on a timely basis and reconcile the composition of receipts to bank deposits. In addition, reconcile monthly system receipt totals with totals of receipts posted and unreconciled batches.
2. Deposit receipts intact daily or when accumulated receipts exceed \$100, and establish procedures to account for all batch numbers assigned.
3. Require someone independent of cash receipting or recording functions to reconcile monies on hand for deposit with reported deposit totals and validated deposit slips.
- B. Prepare monthly bank reconciliations on a timely basis.
- C. Adequately segregate duties or ensure independent, documented reviews of the records are performed. In addition, ensure documentation supporting changes to the system is retained in the case files.
- D. Prepare listings of liabilities and reconcile to the cash balances on a monthly basis. Any differences should be investigated and explained on the reconciliations. The court should also review the listing of held checks on a periodic basis and ensure payments are being distributed when due, and attempt to notify those individuals with payments being held for non-current addresses. Procedures to routinely follow up and reissue any old outstanding checks should be adopted. If the payees cannot be located, the monies should be disposed of through the applicable statutory provisions.
- E. Identify instances of duplicate checks clearing the bank, and establish procedures to recoup any monies lost. In addition, procedures should be established to monitor checks and ensure duplicate checks are not issued. The court should also review the monthly bank statements in a timely manner, investigating differences between bank amounts and book amounts, and miscellaneous credits and debits, and ensure follow up actions are taken timely.
- F. Ensure all monthly reports are printed the first day of every month. In addition, manual records of control totals for voids, back out receipts, deposits and checks printed should

be maintained and reconciled monthly with the computer reports to ensure the accuracy of the information.

- G. Provide St. Louis City with the information necessary to allow the Treasurer and Comptroller to allocate the non IV-D record-keeping fee.

AUDITEE'S RESPONSE

- A.1. *We agree. We will review the current process being employed by the staff. We will reduce to writing those procedures which we will continue to follow and we will make certain the procedures will result in the reconciliation of the daily cash control record to the bank deposit. Also, we will establish procedures for reconciling the monthly system totals to the totals of receipts posted and unreconciled batches.*

Our goal is to have this policy fully implemented within six months.

- A.2. *We agree. The Child Support Supervisor will be responsible for ensuring that deposits are made daily and intact. In addition, the Bookkeeping Department will document the timeliness of deposits when the bank reconciliation is prepared.*

Our goal is to have this policy fully implemented within six months.

- A.3. *We agree. The Bookkeeping Department will be responsible for ensuring the deposit report totals agree with the monies on hand and with the deposit slip.*

Our goal is to have this policy fully implemented within six months.

- B. *We agree. The current administration was advised that the child support system (MACSS) would not be able to operate with two separate bank accounts. Thus, the current administration was prevented from opening a new bank account in January 1999. A true reconciliation of the account for transactions in 1999 could not be completed until the account was reconciled for transactions done in 1998. Given the volume of checks issued monthly (nearly 18,000), we cannot reconcile the account without computer assistance. For a number of months the office was unable to use a computer for marking the checks, due to problems outside the control of this office.*

The issues cited in the audit which result from not reconciling the account monthly are not unique to this office. The problem is shared by all large circuits throughout the state. The Office of the State Courts Administrator (OSCA) has been involved in assisting offices throughout the state in reconciling child support accounts.

In December 1999, because this process was taking too long, the Circuit Clerk authorized the office's Internal Auditor to begin reconciling the account. Since that date, the Internal

Auditor, working jointly with OSCA accountants, has reconciled the Child Support account through September 1999. The office is pursuing differences until they are resolved and will not simply “plug” differences to finish the process of reconciliation. This office is pursuing the appropriate party, when possible, for full reimbursements resulting from any errors discovered in the process. The office anticipates being current with reconciling the bank account for Child Support by the end of May 2000. The Internal Auditor is training the Bookkeeping Department personnel to reconcile the account until the time the office is no longer involved in the process of receipting and disbursing child support payments.

- C. *We agree. We will review the current assigned duties of each employee in Child Support, to determine whether any further segregation of duties is necessary. If we cannot adequately segregate the duties, the Child Support Supervisor and the Director of Finance will perform a documented review of the Child Support records.*

Our goal is to have this policy fully implemented within six months.

- D. *We agree. We will establish procedures for reconciling the cash balance to the listing of liabilities. The Bookkeeping Department will be responsible for performing this duty. MACSS, by automation, withholds payments in excess of the amount of normal child support due during a particular time period. The recommendation reference to “held checks” assumedly refers to those funds which are held on account for that particular recipient in the MACSS system, as the office currently timely deposits all checks received. To the extent that these computer generated holds are due to a bad address, the office will develop procedures to use every reasonable effort to obtain a valid address for that payee. If the computer generated holds are caused for other reasons, the office will notify MACSS personnel to determine whether MACSS personnel will release the held funds, or whether the funds are being held due to a program error.*

Our goal is to have this policy fully implemented within six months.

- E. *We agree. We have now established procedures to monitor the issuing of checks from MACSS to ensure that duplicate checks are not released. The Circuit Clerk has no control of the MACSS system to initiate program changes to eliminate the possibility of producing either identical duplicated checks or checks with duplicate check numbers made payable to different payees. Nevertheless, we are working to identify any previously unknown duplicate checks, and we are exploring options for reimbursement for whatever funds that may have been improperly disbursed.*

In February 1999 when identical duplicate checks were discovered, the office stopped payment on the second check. The office later paid on duplicate checks cashed by third parties (e.g. grocery stores), once the office knew that the recipient had other money due that recipient against which the office could offset.

The office has also discussed the issue of reimbursement with the Division of Child Support Enforcement to determine if there may be any claim of liability made against the MACSS software designer for unrecoverable losses. Furthermore, the office references its response to Recommendation B for issues raised regarding reconciliation of the child support account.

- F. We agree. We will establish procedures and guidelines for reconciling manual control totals for voids, back out receipts, deposits and checks printed to the computerized reports. In addition, we will ensure all necessary monthly reports are printed on the first day of every month.*

Our goal is to have this policy fully implemented within six months.

- G. We agree. We are currently submitting the required information to the city.*

4. Computer Operations and Controls

- A. The Child Support Department started utilizing the Missouri Automated Child Support System (MACSS) in September 1998. We noted passwords which restrict employee access to MACSS computer files are not kept confidential. In addition, several of the department's employees have access to system features which are not necessary to perform their regular job duties. A unique password should be assigned to each user, and these passwords should be kept confidential to prevent unauthorized access to computer files. In addition, passwords should adequately restrict the capabilities of the respective user to only those duties the user has been authorized to perform.
- B. The Criminal Division Finance Department enters payment information on the REJIS computer system, which links the information with the case minutes that are also maintained on the REJIS computer system.

Access to certain programs and data files are not adequately restricted on the REJIS system. Although each employee of the Finance Department is assigned their own password that must be entered before they can access the system, one employee usually logs onto the computer in the morning and does not log off the computer until the end of the work day. Other employees can then make changes to computer information without having to log on themselves. The system indicates the initials of the person who makes each entry, based on the password of the person who logged onto the computer at the beginning of the day. Thus, if someone else makes an entry, the initials of the employee who originally accessed the system is shown.

Failure to require each employee to log on and make entries under their own unique password could allow unauthorized changes to be made in the programs and/or data files without being detected. To establish individual responsibility, as well as help preserve the

integrity of computer programs and data files, access to this information through the individual passwords should be enforced and should be limited to those individuals who need it.

- C. Change reports, which reflect changes to financial records and court minutes, are not generated. Inadequate segregation of duties over computer access, along with the weaknesses identified above with passwords, allows changes to be made to the computer systems without supervisory review. The capability to make changes to the financial records and court minutes without a periodic supervisory review of those changes increases the possibility that unauthorized changes could be made to programs and/or data files without the changes being detected.

To preserve the integrity of computer programs and data files, all changes should be identified by user and change reports should be reviewed by a supervisor.

WE RECOMMEND the Circuit Clerk:

- A&B. Ensure unique passwords are assigned to each employee, passwords remain confidential, and the passwords are used to restrict access to specific computer programs and data files to authorized individuals.
- C. Consider generating periodic change reports. In addition, the Circuit Clerk should ensure that the change reports are received by the proper personnel and all changes are promptly reviewed and any unusual items are investigated.

AUDITEE'S RESPONSE

We agree.

Our goal is to have these policies fully implemented within nine months.

5. Missing Records

Various accounting records maintained by the Child Support Department, including deposit reports, check registers and canceled checks for September 1998 to December 1998, were missing. In addition, various accounting records prepared by the Criminal Division, including the June 30, 1998, open-items lists, deposit slips, deposit records, canceled checks and case files were missing.

Retention of accounting records is essential to establishing accountability for the Circuit Clerk's financial activity and in demonstrating compliance with state law. Effective control of records requires all documents and records be safeguarded against loss due to fire, theft, or misplacement,

be accessible to the appropriate court employees and outside officials, and upon reasonable request, be accessible to the public.

WE RECOMMEND the Circuit Clerk ensure all records of the Circuit Court are properly retained and available for review.

AUDITEE'S RESPONSE

We agree. In the past, the office had numerous personnel in various locations acting in bookkeeping functions. Supervision of the accuracy and timeliness of bookkeeping was nearly impossible to monitor. Active and inactive financial records were spread out at the various locations in the courthouses.

An additional bonus of creating the Bookkeeping Department is one central location for all financial records. The office is in the process of collecting all current financial records for placement in this area. Bookkeeping is filing for future use current financial records that are being created and/or received. The office's priority is to ensure that the financial records from 1999 forward are complete and available.

Our goal is to have this policy fully implemented in twelve months.

The task of assembling past financial records will be cumbersome. There are rooms full of records in storage throughout the three courthouses and off site at the Globe Building. A review of these files is necessary to determine what if anything needs to be retained.

Our goal is to have this policy fully implemented within eighteen months.

6.

Civil Division

All circuit and associate level civil cases are initially filed in the Civil Cashier's Office. Except for garnishment cases which are handled by a separate office, the Cashier's Office is responsible for collecting all monies on civil cases and maintaining the related financial records. The Finance Department is responsible for reconciling the bank accounts, maintaining the open items lists and general oversight of the Cashier's Office. Receipts handled by the Cashier's Office totaled approximately \$2,930,000 and \$7,765,000 for the six months ended December 31, 1998, and the year ended June 30, 1998, respectively. The Circuit Clerk maintains several bank accounts for these monies:

Refund Account: All money received by the Cashier's Office for cases filed before January 1, 1998, was deposited and is disbursed through this account. The amount remaining in the Refund Account represents court fee deposits and monies placed in the registry of the court that have not been specified to go into a separate account.

Refund Account II: All money received by the Cashier's Office for cases filed after January 1, 1998, was deposited and disbursed through this account. The amount remaining in the Refund Account II represents court fee deposits and monies placed in the registry of the court that have not been specified to go into a separate account. This account was opened in March 1998, and all monies collected for 1998 cases prior to March 1998, were transferred from the Refund Account to this account. This account was then closed into the Refund Account in April 1999, and the Refund Account III was opened in January 1999 for cases filed after January 1, 1999.

Certificates of Deposit and Treasury Bills: The court invests some excess civil monies from the various refund accounts in Certificates of Deposit and U.S. Treasury Bills to obtain a higher rate of interest.

Restricted Accounts: These represent accounts established for monies placed in the registry of the court that have been specified to earn interest for the parties involved in the civil case.

A. A monthly open-items (liabilities) listing, indicating those cases on which there is an open balance of fees collected, was not consistently prepared. The Finance Department printed an open-items listing as of March 31, 1999, for the Refund Account and Refund Account II. The open-items listing included approximately 125,000 cases and totaled over \$10,250,000, while monies on hand at March 31, 1999, was approximately \$9,950,000. During further review of this open-items listing, we noted the following concerns:

- 1) When a case is filed, an initial deposit is paid to the court, and most of this deposit is held by the court pending disposition of the case. However, the court disburses certain court costs, including the Court Automation, Family Court, Law Library and Courthouse Restoration fees the same month the case is filed. The balance shown on the open-items listing for many cases includes these fees, even though they have already been disbursed. In addition, during our review of twenty-five cases on the open-items listing, we noted four cases where the balance shown on the open-items listing was incorrect because various modifications had been made to the balance. The open-items listing also included many cases filed by the City Collector, even though these court costs are manually taxed and disbursed monthly.

Including those court costs that have already been disbursed but not deducted from the open-items balance overstates the total open items.

- 2) Occasionally a judge will order additional money to be deposited with the court on civil cases, including cash bonds, registry deposits and guardian ad litem costs. The court holds these monies in the Refund Accounts until the judge issues a payout order. However, the court's open-items listing does not include these monies.

- 3) The open-items listings are not reconciled to the Circuit Clerk's applicable cash and investment balances on a periodic basis. Periodic listings of open items should be reconciled to monies held in trust by the court to ensure proper accountability over open cases and ensure monies held in trust by the court are sufficient to meet liabilities.

A periodic listing of open-items, along with appropriate reconciliations to bank and book balances, is an essential tool in ensuring that all records are in balance and that sufficient assets exist to cover the liabilities. To help prevent possible misappropriations of funds and to ensure that liabilities are ultimately distributed to the proper parties, an accurate and updated listing of all liabilities should be maintained and reconciled to the cash balance.

Similar conditions were also noted in our prior report.

- B. The Circuit Court uses a computer system to track the financial aspects, docketing, and minutes of all civil cases filed. The computer system has various fields to indicate the plaintiff's name, date and amount paid, date the monies are applied to court costs, user ID, each court cost taxed to the case, balance, and payee, date, amount and check number on the refund check. The manual case files also include the date paid, the amount of the plaintiff's initial deposit, and the costs taxed to the case. We noted the following problems when comparing the information in the manual case files to the computer financial information:

- * For some cases reviewed, the computer indicated law library, courthouse restoration and court automation fees had been disbursed twice or indicated that these fees had not been disbursed, when it is the court's policy to disburse these monies monthly. The manual case files indicated that these fees had been charged to the case, but they rarely indicated whether the amounts had been disbursed.
- * Some cases had negative balances on the computer when the court was actually holding monies for these cases. This was due to the way the court presents additional costs paid out-of-pocket by the plaintiff.
- * The computer indicated monies were still being held for many cases filed by the City Collector, although it is the court's procedure to disburse these monies the same month they are collected. The manual case files indicated that the proper fees had been charged to the case, but did not indicate whether the amounts had been disbursed.
- * Modifications for cashier errors can be made to the computer system to reflect monies collected or additional costs taxed to the case. Special coding is used to indicate these modifications; however, documentation was not always retained in

the manual case file or on the computer to indicate the reasons for the modifications.

- * Bills were not always sent to all the responsible parties who owed court costs. We found a few instances where two defendants were to split the court cost fifty/fifty, but only one defendant was billed for 100% of the costs. In addition, on at least one case, a bill was sent to the petitioner when the judge had waived the court costs.
- * A few instances were noted where the balance on the computer did not agree to the case balance on the open-items listing. Based on the information in the manual case file, the open-items listing appeared correct.

The court does not have a complete history of the financial transactions for each case. The computer contains some of the information and the manual case files contain other information. A supervisory review is not conducted to ensure that the computer information and manual case file agree. A final transaction summary is not printed to document that all monies have been collected and disbursed. In addition, the civil case files do not include the transaction numbers or dates of payments made on fines and court costs and dates of disbursements. While the case minutes are printed and included in the front of the manual case file, these minutes do not include any additional entries that are made by the Taxing Department.

To ensure accurate financial records are maintained, the computer information should be agreed to the manual case files and a final transaction summary should be printed to document that all monies have been properly handled. In addition, the amounts collected, transaction numbers, dates of payment, amounts disbursed, and check numbers and dates of disbursement should be recorded in the manual case file. All minutes should be included in the manual case file to indicate the current status of the case.

- C. Payments received by the Cashier's Office are entered into a computerized receipting system. There are four cashiers who enter payments into the computer. Cashiers have separate drawers and separate cashier numbers and passwords they enter to use their drawer. At day's end, cashiers balance their drawer with a computer report of transactions entered that day. Our review noted the following concerns:

- 1) The cashier drawers can be locked, unlocked, and opened with a key. This allows the cashiers access to their drawers without ringing in a transaction. To restrict access to the cash drawers, the cashiers should only be allowed to open their cash drawers when a transaction has been rung into the computer and money is collected.

- 2) The cashiers can enter information for a receipt into the computer system, and then exit the system without actually "posting" the information. The computer stores the information and assigns a transaction number to it. A printout of the "non-posted" transactions is not periodically run. A printout should be periodically run and scanned by a supervisor to ensure the non-posted entries appear proper and to account for the numerical sequence of transaction numbers.
- 3) The amount of payment is entered into the computer along with the case number for each receipt. However, the name of the person making the payment is not always entered into the computer. To enable receipt entries to be more easily reconciled to checks and money orders received, the name of the person making the payment should be entered on the computer.

A similar condition was also noted in our prior report.

- 4) The cashiers open the mail receipts, record the receipts on a mail log and enter the transactions into the computerized financial system. The mail log is not reconciled to the receipts entered for the day. Furthermore, the duties of receiving and recording mail receipts were not adequately segregated.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of opening the mail and keeping the mail log from recording the mail receipts on the computer. If proper segregation of duties cannot be achieved, at a minimum there should be a supervisory review of the work performed on mail receipts, and the mail log should be independently reconciled to the list of computer receipts daily.

- D. Several types of court fees have not been distributed to the appropriate funds on a timely basis. As of December 31, 1998, the court had not disbursed notary fees, copy monies, and dissolution fees since December 1995. Fees for transcripts, liens, computer reports, and marriage waivers were also not disbursed during the audit period, and the court did not have documentation of when these fees were last disbursed. The following is a list of the type and amount of fees that were received but not disbursed, during the time period of May 1996 to December 31, 1998:

Type of Fee	Amount
Copy Monies	\$ 167,284
Dissolution Fees	24,458
Transcripts	9,450
Computer Reports	29,186
Marriage Waivers	10,679
Notary Fees	21,607
Liens	993
Total Undistributed Fees	\$ <u>263,657</u>

Sections 488.023 and 483.550, RSMo Cumulative Supp. 1999, provide for the distribution of court fees to the city, state and other funds, and require fees to be distributed monthly.

A similar condition was also noted in our prior report.

- E. At December 30, 1998, old outstanding checks totaling approximately \$17,000 have remained in the Cashier's Refund Account in excess of one year. Some checks dated as far back as December 1995. The Cashier's Refund Account also had \$557 in reconciling items that were incorrectly deducted from the bank account, which date back to July 1994. These reconciling items were caused by checks that cleared the bank twice or cleared the bank for more than the amount written. The court should ensure that all reconciling items are investigated and resolved in a timely manner.

Outstanding checks should be periodically reviewed to determine if the payees can be readily located and if there is a need to reissue the checks. If the payees cannot be located, the amounts should be disposed of in accordance with Sections 447.500 through 447.595, RSMo Cumulative Supp. 1999, as applicable. The bank statements should be reviewed closely and any mistakes should be examined and disposed of in a timely manner.

A similar condition was noted in our prior report.

- F. The Cashier's Office uses a standard correction form prepared by the cashiers to initiate changes to data in the accounting system.
- 1) The correction forms are not prenumbered. Without a proper accounting for the numerical sequence of changes requested, the cashiers cannot be assured that all documents completed were properly submitted for processing.

- 2) When correcting items on the computer system, documentation was not maintained in the case file nor on the computer system to document the reason for the change. Supporting documentation for all changes should be maintained and reviewed periodically by someone independent to ensure that only authorized individuals are making the changes to data and to ensure the changes appear proper.
- G.1. The Finance Department could not locate sixteen selected checks, nine of which had been indicated as void on the court's records. The failure to retain voided checks increases the risk that misuse of funds will not be detected.
2. The department has several checks a month that are returned by the Post Office as undeliverable. These checks are immediately voided and defaced; however, the court does not void the checks on the computer system in a timely manner. We noted time delays of up to three months between the date the check was returned and voided, and the date the check was voided on the computer system. Checks should be voided on the computer system immediately to ensure accurate accounting records.
- H. There is no supervisory review of the disbursements prepared by the Assistant Finance Manager. One person prepares the check requests to the city and the state and no one else independently reviews the requests to ensure the payees and the amounts appear proper. To reduce the risk of misuse of funds, there should be an independent review of disbursements.

WE RECOMMEND the Circuit Clerk:

- A. Periodically prepare an open-items listing and ensure all balances listed are actually open items and that the listing does not include fees that have already been disbursed. The court should also maintain a record of monies held for cash bonds, registry deposits and guardian ad litem costs. The open-items listings should be periodically reconciled to the balance of applicable civil monies held.
- B. Record in the manual case file the date, amount, and transaction number for monies collected, and the date, amount, and check number of disbursements. In addition, a final financial summary from the computer should be included in the manual case file and should be reconciled to information in the case file. All minute entries should also be included in the case file to properly reflect the current status of the case.
- C.1. Allow access to the cash drawers only when a transaction is rung into the computer and money is collected.
2. Periodically run a printout of non-posted cashiers' transactions and ensure someone independent accounts for the numerical sequence of transaction numbers.

3. Require the cashiers to enter the name of the person making the payment for each receipt entry on the computer.
 4. Segregate the duties of receiving and recording the mail receipts. In addition, the mail log should be reconciled to the receipt records daily.
- D. Disburse all court fees monthly to the city and state as required by state law.
- E. Reissue old outstanding checks to any payees who can be located. If the payees cannot be located, the monies should be disposed of through the applicable statutory provisions. The Circuit Clerk should consult with the State Treasurer's Office regarding the proper disposition of unclaimed funds. In addition, procedures to routinely follow up and reissue any old outstanding checks should be adopted. In addition, the Finance Department should review the bank statements monthly and investigate and resolve any reconciling items in a timely manner.
- F.1. Issued prenumbered correction forms and account for the numerical sequence.
2. Maintain supporting documentation for all changes to the computer system and ensure periodic independent review of these changes.
- G.1. Issue stop payment orders, attempt to locate, and void these missing checks. All voided checks should be properly defaced and retained.
2. Ensure returned checks are voided on the computer system in a timely manner.
- H. Perform an independent review to ensure the disbursements appear proper.

AUDITEE'S RESPONSE

- A. *We agree. The problem cited with the open-items list has been cited in previous audits. As such, the new administration in January 1999 established a second open-items list for cases filed after January 1, 1999, hereafter referred to as Company II. The office continues to maintain an open-items list for cases filed prior to January 1, 1999, hereinafter referred to as Company I.*

An additional accountant has been hired to review the civil open-items lists and to identify the validity of each liability represented on the list. Due to the size of Company I's open-items list, which is approximately \$10,200,000, it will take many months to identify the problems with this open-items list. Once we have identified the problems, we can develop a more realistic plan and time frame for correcting the open items, to the extent that it is possible to correct the records. The Bookkeeping Department will be responsible for

reconciling the open items for Company I and II to the balance of applicable civil monies held.

Our goal is to have this plan fully implemented within one year for Company II's open-items list. With respect to Company I's open-items list, it is not possible to state a time frame for attainment of this goal. We need to determine the extent of the problem to know how long it will take to make all possible corrections to the deficiencies found.

- B. We agree. As noted in the response above, the additional accountant will identify the problems with the open items. Part of this project will be to review the computerized general ledger and manual case file and to make any necessary corrections. A proposal to place in each case file, at the time of final disposition, a computer generated financial statement of the case is currently being reviewed for its feasibility.*

Our goal is to have this plan fully implemented within one year for Company II's open-items list. With respect to Company I's open-items list, it is not possible to state a time frame for attainment of this goal. We need to determine the extent of the problem to know how long it will take to make all possible corrections to the deficiencies found.

- C.1. We agree. We will review this issue for possible automation or hardware solutions to restrict access to the cash drawers.*

Our goal is to review this issue in six months for possible solutions.

- C.2. We agree. We will work with the system's designers to design a computerized report of all cashier transactions, voiding those for which no money is actually receipted. The Supervisor of the Civil Cashier's Office will account for the numerical sequence of the computerized transaction numbers.*

We will work with the system's designer to make the non-posted cashiers' transactions print out with the daily counter report.

Our goal is to have this policy fully implemented within one year.

- C.3. We agree. We will request the system's designer to make the name field on the computer a required field.*

Our goal is to have this policy fully implemented within nine months.

- C.4. We agree. We have now segregated the duties of receiving and recording the mail receipts. We will reconcile the mail log to the receipts recorded daily.*

Our goal is to have this policy fully implemented within six months.

- D. *We agree. Improvements have been made relative to monthly disbursements of court fees to the city and state. As part of the overall reorganization of the Finance Department, the Disbursement Department was created to disburse all monies received by the Circuit Clerk's Office on a monthly basis.*

Our goal is to have this policy fully implemented within one year.

- E. *We agree. The Circuit Clerk has the fiduciary responsibility to take all reasonable steps to make certain that the records accurately reflect who is owed what amount. Once that determination has been made, as the fiduciary, the Circuit Clerk must take all reasonable steps to locate the payees so that the office can reissue the checks to the payees. Once the office is sure the record is accurate and all reasonable efforts to locate the proper payee have been made, and a payee still cannot be located, then the office will properly disburse the unclaimed monies as required by state law. In addition, we will establish procedures to routinely follow up and reissue any old outstanding checks. The Bookkeeping Department will be responsible for following up and reissuing any old outstanding checks.*

Our goal is to have this policy fully implemented within one year for cases filed after January 1999. We are unable to state a date by which we will accomplish this goal with respect to cases filed prior to 1999.

- F.1. *We agree. Pre-numbered forms will be used for corrections to the computerized general ledger.*

Our goal is to have this policy fully implemented within six months.

- F.2. *We agree. The Bookkeeping Department will be responsible for maintaining supporting documentation for all financial adjustments to the computer records. The Director of Finance will review all changes.*

Our goal is to have this policy fully implemented within six months.

- G.1. *We agree. The Bookkeeping Department will be responsible for ensuring the proper accounting for all voided checks.*

Our goal is to have this policy fully implemented within six months.

- G.2. *We agree. The Bookkeeping Department will be responsible for voiding returned checks on the computer system on a timely basis.*

Our goal is to have this policy fully implemented within six months.

- H. *Currently, the Assistant Finance Manager prepares the check requests to the city and the state. The Director of Finance reviews and approves the requests. After the Disbursement Department is fully operational, this department will be responsible for disbursing all civil fees to the city and the state.*

Our goal is to have this policy fully implemented within six months.

Also, see "General Response to Findings in Civil Finance and Garnishment" beginning on page 63.

7. Costs for Civil Cases

Upon case closure, civil case files are sent through various departments in the Circuit Clerk's Office and then sent to the Taxing Department. The Taxing Department calculates which charges are due on the case. The taxing information is entered on the inside back cover of each case to summarize charges and disbursements of the case. Once the charges have been taxed, the case file is sent to the File Room.

If the filing fees are equal to or greater than the charges taxed and the plaintiff was ordered to pay court costs, the court costs are applied to the applicable funds for distribution and a refund check is issued, if necessary. For most cases, if the filing fee is less than the charges or the defendant was ordered to pay court costs, a billing is generated by the Taxing Department and sent to the applicable party. If and when the additional charges are received, all costs are then distributed. However, on Chapter 517 Landlord cases, even if the defendant was ordered to pay costs, as long as the filing fees are equal to or greater than the charges taxed, the plaintiff's filing fees are applied to the court costs for distribution and a refund check is issued, if necessary. Effective for **all** cases sent to the Taxing Department after July 28, 1998, the plaintiff's filing fees are to be applied to the charges taxed as long as the filing fees are equal to or greater than the charges, regardless of which party was ordered to pay court costs.

Our review of the above procedures noted the following concerns:

- A. According to a printout provided by the court's computer service, the court was holding over \$8.5 million at June 2, 1999, on cases that had already been finalized. These cases were finalized as far back as the late 1980's and either contain initial deposit balances insufficient to cover all costs charged on the case or the defendant was ordered to pay the court costs. In cases finalized before July 28, 1998, where the defendant was ordered to pay court costs, except Chapter 517 Landlord cases, the court does not refund the plaintiff's filing fee until the defendant pays the court costs in full.

As noted earlier, the court implemented procedures on July 28, 1998, to apply the plaintiff's deposit to court costs. However, the court was holding \$523,460 at June 30, 1999, on cases that were finalized between August 1, 1998 and May 30, 1999.

Section 514.060, RSMo 1994, states that "In all civil actions, or proceedings of any kind, the party prevailing shall recover his costs against the other party, except in those cases in which a different provision is made by law." In addition, Attorney General's Opinion No. 420, 1971 to Paden, concluded that "Even though the deposit was made by the plaintiff and the costs taxed against the defendant, the plaintiff must look to the defendant for recovery."

The court should consider either using the plaintiff's initial deposit when the costs are assessed against the defendant on all cases, or refund the plaintiff's initial deposit when the costs are assessed against the defendant.

A similar condition was also noted in our prior report.

B. Accrued court costs occur when costs assessed against a case exceed the amount deposited for the case, or the court costs were assessed against the defendant.

- 1) The Circuit Clerk does not adequately pursue the collection of accrued court costs. When such costs occur, the Circuit Clerk's office sends a statement to the appropriate party requesting payment. The court does not send second billings on cases unless the plaintiff calls and complains about not receiving a refund of the filing fee. No additional follow-up action is taken.

Inadequate procedures for the collection of accrued court costs may result in lost revenues. In addition, Section 546.870, RSMo 1994, requires the clerk to issue executions on amounts not collected at the end of each term.

- 2) Individual accrued court cost receivable balances are maintained by the Circuit Clerk on the computer financial system for each case; however, a receivables list was not maintained from July 1997 to December 1998, to summarize total amounts due to the court. A receivables list was not part of the regular computer reports, and special programming was needed to generate a receivables list.

A control account would assist the court in ensuring the accrued court cost records remain intact and in verifying the postings of collections and amounts due. A listing of accrued court cost receivable balances should be reconciled periodically to the control account. Furthermore, Section 483.550.5, RSMo Cumulative Supp. 1999, requires the Circuit Clerk to make periodic reports of delinquent court costs as may be required by the Office of State Courts Administrator.

To maximize revenues, the Circuit Clerk should maintain a listing of accrued costs and periodically follow up on accrued costs. An accrued cost listing would allow the Circuit

Clerk to more easily review the amounts owed to the court and take appropriate steps to follow up on initial billings to ensure all amounts owed are collected on a timely basis.

- C. Many of the funds held on deposit in the civil account are for old cases which contain deposits insufficient to cover all court costs charged in the case. If it appears unlikely the remaining amounts owed will be collected, a court order should be obtained to allow the balance in the case to be prorated among the various costs. Attorney General's Opinion No. 26, 1973 to Osborne, concluded that "If, when liability has been established, accrued costs cannot be collected in full, charges not having any statutory priority or not allocated under court rule should be prorated."

Old, inactive case balances increase the volume of cases which must be monitored and controlled, putting a greater burden on personnel resources. In addition, failure to prorate available monies when it is unlikely the balance will be collected, deprives the state and city of the use of those monies.

WE RECOMMEND the Circuit Clerk:

- A. Consider either using the plaintiff's initial deposit to pay out court cost assessed against the defendant on all cases or refund the plaintiff's initial deposit when the costs are assessed against the defendant.
- B. Maintain a listing of, and periodically follow up on accrued costs. In addition, the court should send out second billings on costs that remain unpaid after a certain period of time.
- C. Identify those cases which contain uncollectible additional court costs and obtain a court order to close those cases by paying out monies in accordance with legal provisions or opinions.

AUDITEE'S RESPONSE

- A. *We will use the plaintiff's initial deposit to cover all costs assessed on the case. In addition, we will perform analysis to determine whether the initial deposit is sufficient to cover the cost of activity of civil cases. If the cost is determined to be insufficient, we will request the court en banc to increase the filing deposit.*

Our goal is to have this policy fully implemented within one year.

- B. *We agree that a listing of accrued costs should be maintained and periodic follow up should be performed. We will work with the system's designers to design a computerized report of accrued costs.*

We will send a second billing on costs that remain unpaid. If thereafter, payment in full has not been received, then the office will take all measures to meet its statutory obligation.

This goal will require a computer enhancement, and when and if the goal can be achieved is dependent upon the Clerk's office having the funds and staff available to initiate and operate the planned system changes. Our goal is to have this policy fully implemented within one year.

- C. *We will establish procedures and guidelines for identifying cases where the deposit is insufficient to cover all court costs assessed on the case. We will request our legal counsel to review this matter to determine how uncollectible court costs should be handled.*

Our goal is to have this policy fully implemented within one year.

Also, see "General Response to Findings in Civil Finance and Garnishment" beginning on page 63.

8.

Certified Copies Department

The Certified Copies Department makes copies of civil case files when requests are received. Requests can be made in person, over the phone, or through the mail. A request form is filled out by either the customer or an employee in the Certified Copies Department. The Certified Copies Department indicates the cost of the copies on this request form. The Certified Copies Department does not maintain records of how much was received by them and forwarded to the Civil Cashier's Office and how much should have been entered by the Cashier's Office. However, copy receipts entered by the Cashier's Office averaged about \$52,000 each year, which includes monies for copies made by the Certified Copies Department and the Child Support Department.

The Certified Copies Department sometimes prepares the copies while the customer waits and sometimes the customer will have to return at a later date to pick up the copies, depending on the size of the job and the availability of employees in the Certified Copies Department. The Certified Copies Department only handles payments made by company check or money order. If the person is paying with cash, the Certified Copies Department gives the customer the request form and the customer takes the cash and the request form to the Cashier's Office to pay. During our review of the procedures for handling copy receipts, we noted the following concerns:

- A. The Certified Copies Department does not account for the numerical sequence of prenumbered request forms used as receipt slips. In addition, a reconciliation between request forms returned by the Cashier's Office and request forms on file with the Certified Copies Department is not performed.

To account for all copy monies received, someone independent of handling the copy receipts should account for the numerical sequence of the request forms and reconcile payments shown on the request forms to payments entered for copies in the Cashier's Office.

- B. The Certified Copies Department does not transmit company checks and money orders received in the mail to the Cashier's Office on a timely basis. The supervisor of the Certified Copies Department indicated checks and money orders are transmitted to the Cashier's Office approximately twice a week. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, transmittals should be made intact daily or when accumulated receipts exceed \$100.
- C. When the court makes copies for other government agencies, there is no charge. However, the Certified Copies Department did not always indicate why a request for copies was not charged. Many of the requests that were not charged did not indicate the name of the government agency receiving the copies.

Without an explanation for why some copying jobs were not charged, the court cannot determine that all requests that were documented as "no charge" were valid.

- D. Checks and money orders received through the mail are not restrictively endorsed immediately upon receipt. Instead, the endorsement is applied when the money is turned over to the Civil Cashier's Office. In addition, a listing of mail receipts is not maintained to reconcile with monies transmitted to the Civil Cashiers Office.

To reduce the risk of loss or misuse of funds, all checks and money orders should be restrictively endorsed immediately upon receipt. A listing of mail receipts is necessary to ensure all money orders have been recorded and can be reconciled to monies transmitted.

Conditions similar to A., B., and C. were also noted in our prior report.

WE RECOMMEND the Circuit Clerk:

- A. Require someone independent of handling the copy receipts to periodically account for the numerical sequence of the request forms and reconcile payments shown on the request forms to payments entered for copies in the Cashier's Office.
- B. Transmit receipts intact daily or when accumulated receipts exceed \$100.
- C. Require appropriate information and the reasons for not charging for copies be documented on all request forms as applicable.

- D. Restrictively endorse checks and money orders immediately upon receipt and prepare a list of mail receipts when the mail is opened. In addition, someone independent should reconcile the mail listings to monies transmitted.

AUDITEE'S RESPONSE

- A. *We agree. The Bookkeeping Department will account for the numerical sequence of the request forms and reconcile payments shown on the request forms to the payments received in the Civil Cashier's Office.*

We will also consider automating the Certified Copies Department to make it easier to account for the pre-numbered request forms to ensure that all monies are properly handled.

Our goal is to have this policy fully implemented within one year.

- B. *We agree. The Certified Copies Department will transmit checks and money orders received to the Civil Cashier's Office on a daily basis.*

We will also consider having the Civil Cashier's Office receive directly all mail receipts for copies to provide better accountability of monies received.

Our goal is to have this policy fully implemented within one year.

- C. *We agree. We will require that the Certified Copies Department document the name of the individual or government agency receiving the copies and the reason for not charging for copies.*

Our goal is to have this policy fully implemented within nine months.

- D. *We agree. Until the procedure change affecting which department will receive mail receipts for copies, the Certified Copies Department will restrictively endorse all checks and money orders immediately upon receipt.*

Our goal is to have this policy fully implemented within nine months.

9. Garnishment Office

The Garnishment Office is responsible for the collection and disbursement of garnishments. Receipts handled by the Garnishment Office totaled approximately \$2,206,000 and \$3,292,000 for the six months ended December 31, 1998, and the year ended June 30, 1998, respectively.

- A. Disbursements are not made immediately after the ten day holding period as established by "local order" Rule No. 82.3.1. Our review of receipts noted the average number of days between receipt and disbursement was almost thirteen days. The number of days between receipt and disbursement ranged between zero and thirty-one days. In addition, at April 30, 1999, the Garnishment Office was holding \$2,162 that had been held over two months.

The Garnishment Supervisor indicated the reason for the delays is due to the inability to find the case files. She indicated the judge requires the Garnishment Office to have the case file before monies are disbursed.

To ensure victims receive their restitution according to the court rules and to ensure timely processing of garnishment payments, garnishments should be disbursed immediately after the ten day holding period.

- B. Monthly open-items listings are prepared by the Garnishment Office; however, the listings are not reconciled to the bank account balance. The total identified open items at December 31, 1998, exceeded the balance in the bank account at that date by approximately \$73,300. The difference between the open-items listings and the balance in the bank account appears to fluctuate each month.

The monthly listing of open items should be reconciled to the bank balance to ensure proper accountability over garnishment monies.

- C. At December 31, 1998, old outstanding checks totaling \$5,828 had remained in the garnishment bank account in excess of one year.

Outstanding checks should be periodically reviewed to determine if the payees can be readily located and if there is a need to reissue the checks. If the payees cannot be found, Sections 447.550 through 447.585, RSMo Cumulative Supp. 1999, which relate to unclaimed property, should be followed to disburse these monies.

Similar conditions were also noted in our prior report.

WE AGAIN RECOMMEND the Circuit Clerk:

- A. Disburse monies immediately after the ten day holding period according to local orders. The court should consider reconstructing case files that cannot be found so disbursements can be made in a more timely manner.
- B. Investigate and resolve differences between the monthly open-items listings and the balances in the bank account. The open-items listings should be reconciled to the balance in the bank account on a monthly basis.

- C. Reissue old outstanding checks to any payees who can be located. If the payees cannot be located, the monies should be disposed of through the applicable statutory provisions. In addition, procedures to routinely follow up and reissue any old outstanding checks should be adopted.

AUDITEE'S RESPONSE

- A. *We agree that monies should be disbursed immediately after the ten day holding period. We have now established procedures for reconstructing case files that cannot be found so that we can disburse garnishment monies in a more timely basis.*

Also, see response to MAR No. 2.B. on the reorganization of the Finance Department. The Disbursement Department will be responsible for ensuring that garnishment monies are disbursed in accordance with the local rule.

Our goal is to have this policy fully implemented within three months.

- B. *We agree. It is our intention to resolve the differences between the open-items list and the reconciled bank balance. The difference between the open-items list and the reconciled bank balance continues to fluctuate. We believe that there are computer program errors in the system and we will continue to work with the system's designers to identify and correct the problems with the computerized garnishment system.*

Our goal is to have this policy fully implemented within eighteen months.

- C. *We agree. The Circuit Clerk has the fiduciary responsibility to take all reasonable steps to make certain that the records accurately reflect who is owed what amount. Once that determination has been made, as the fiduciary, the Circuit Clerk must take all reasonable steps to locate the payees so that the office can reissue the checks to the payees. Once the office is sure the record is accurate and all reasonable efforts to locate the proper payee have been made, and a payee still cannot be located, then the office will properly disburse the unclaimed monies as required by state law. In addition, we will establish procedures to routinely follow up and reissue any old outstanding checks. The Bookkeeping Department will be responsible for following up and reissuing any old outstanding checks.*

Our goal is to have this policy fully implemented within one year for cases filed after January 1999. We are unable to state a date by which we will accomplish this goal with respect to cases filed prior to 1999.

Also, see "General Response to Findings in Civil Finance and Garnishment" beginning on page 63.

10.

Special Interest Account

The Circuit Clerk maintains a special interest bank account to deposit interest earned from unrestricted court deposits and to make payments for purchases in accordance with Section 483.310.2, RSMo Cumulative Supp. 1999. During the period of July 1, 1997 to December 31, 1998, the court spent approximately \$168,000 from this account. Our review noted bids were not always solicited for major purchases nor was bid documentation always retained. We noted the following four items purchased for which documentation of bids was not available:

<u>Item</u>	<u>Amount</u>
Printing cash payment receipt book, envelopes, and Local Rules of the Court	\$9,787
Printing Chapter 517 summons	7,647
Consulting Services	30,438
Paper Shredding	3,131

According to Circuit Clerk personnel, the printing jobs were not bid because they were considered emergency purchases. However, there was no documentation to explain why an emergency purchase was necessary in this situation.

Bidding procedures for major purchases provide a framework for economical management of court resources and help assure the court that it receives fair value by contracting with the lowest and best bidder. In addition, competitive bidding ensures all parties are given an equal opportunity to participate in public business. Documentation of bids should include at a minimum, a listing of vendors from whom bids were requested, a copy of the request for proposals, the newspaper publication notice when applicable, the bids received, the basis and justification of awarding the bid, and documentation of all discussions with vendors.

This condition was also noted in our prior report.

WE AGAIN RECOMMEND the Circuit Clerk solicit bids for all major purchases and retain appropriate documentation of these bids. In situations where bids cannot be taken, the reasons for not taking bids should be documented and retained.

AUDITEE'S RESPONSE

We agree that whenever possible competitive bidding should be used for all major purchases. We will establish a formal bidding and purchasing policy for purchases using special interest funds to address the concerns noted by the State Auditor.

Our goal is to have this policy fully implemented within six months.

11.

Juvenile Office

The Circuit Clerk's Juvenile Office receives payments for filing fees and court costs on cases concerning adoption and termination of parental rights. Receipts handled by the Juvenile Office totaled approximately \$52,000 and \$110,600 for the six months ended December 31, 1998, and the year ended June 30, 1998, respectively. Accounting duties are not adequately segregated. One court clerk prepares the court cost bills, receives monies, and records receipts. Further, there is no documented independent review of accrued cost files.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. At a minimum, there should be a documented review and comparison made by an independent person of the receipt slips issued to amounts transmitted to the Civil Cashier's Office for deposit and to payments recorded in the case files.

WERECOMMEND the Circuit Clerk adequately segregate the duties of billing, collecting and recording court cost payments. At a minimum, there should be a documented supervisory review of the various supporting records.

AUDITEE'S RESPONSE

We agree. We are in the process of automating the Juvenile Office with a computerized cashiering system similar to what is used for the Civil Cashier's Office. As part of automating the Juvenile Office, we will attempt to segregate the accounting duties as much as possible with a limited number of staff. If we cannot adequately segregate the accounting duties, the Receipting Supervisor and the Assistant Finance Manager will perform a documented review of the accounting records.

Our goal is to have this policy fully implemented within one year.

AUDITEE'S GENERAL RESPONSES

General Response to Findings in Criminal Finance

It has been an overall goal of the current administration to improve the professionalism and accuracy of the Finance Department. To fully respond to the findings and recommendations of this audit, which Circuit Clerk Favazza requested, it is necessary to state a candid evaluation of the state of the office's financial controls as of December 31, 1998.

In addition to the numerous and serious issues that have historically plagued the Circuit Clerk's office, as is discussed below, there were concerns regarding the handling of money by non-

finance employees. In January 1999, the office discovered several courtroom clerks in the Municipal Court Building who were receipting cash payments in courtrooms without any controls. In one such incident, a courtroom clerk accepted a cash payment from a bondsman without issuing a receipt or counting the money, and then placing the money in her unsecured desk drawer.

There were many internal issues of poor controls within the Finance Department itself. The department was not automated in the area of criminal finance. All record keeping, such as it was, was done manually. As of December 1998, there was no listing of the financial liability the office owes to others, hereinafter referred to as open items. At best, the office maintained source documents from which such a list could be created. Among these source documents are the McBee sheets, the Bond Ledger, and individual payment sheets that are supposed to be kept in each criminal case file folder. Neither the McBee sheets or the Bond Ledger can be assumed to be accurate (the McBee sheets contain numerous changes, and the Bond Ledger total does not agree with the total for bonds in the General Ledger). Given the sheer number of criminal case files involved, estimated at tens of thousands, it is impracticable to manually review each case file and extract the file's payment sheet, assuming the information on the payment sheet is more accurate than the other source documents. As such, no accurate open-items list for funds collected prior to 1999 can be created. Absent an accurate open-items list for funds collected prior to 1999, there is no way to determine how much money the office should have. In short, the records prior to 1999 are not reliable, and there is no true point of reference from which an accurate accounting can begin.

Given these factors, the current administration decided to separate itself from previous administrations by starting new records for business conducted after December 31, 1998. In an effort to immediately effect change, the office began an open-items list starting on the first day of business in January 1999 on Microsoft Excel. Despite the efforts to accurately maintain this list, because its production was done in the same manner as records kept on paper, by hand, there is no reason to assume the open-items list is any more accurate than any other records maintained by the same personnel. Financial records are only as good as those who prepare and check their accuracy, therefore it was determined that without delay the office would begin an all out effort to automate the Criminal Finance office.

Efforts to automate the Criminal Finance office were well under way by the time the auditors discovered a theft in the Criminal Finance office, which occurred prior to the current administration. Shortly after the discovery of the theft, the receipting functions of the new criminal finance system went on line. Since May 1999, the office has been operating the new automated system in parallel with the manual system. The office will continue to operate both systems until we have confidence that the automated system is functioning properly.

Since May 1999, the Finance Department has undergone numerous personnel changes in upper level management. By the end of 1999, the Finance Department had a new Finance Director, who came to the office from the State Auditor's office, and a new Assistant Finance Manager,

who came to the office from the auditor section of the office of the Comptroller of the City of St. Louis. Several other management changes have been made. The result of these changes is a department that is professionally managed. The new team of managers has developed a plan to reorganize the Finance Department. Implementation of this plan awaits the reassignment of personnel whose work will be performed by the Family Support Payment Center.

Even with a more professional and better organized staff, the office needs to move forward in automating Criminal Finance (refining the receipting functions, and further developing disbursement functions). An accurate automation system is essential to insure the integrity of the Clerk's financial records. These ongoing automation changes will continue so long as the office has the personnel to operate them and funds available to pay for them.

There are several current issues which may jeopardize the progress of automation. First, there is a bill pending in the Missouri Legislature, sponsored by Senator John Schneider of Florissant, Missouri which will transfer from the Circuit Clerk to the Presiding Judge all data processing personnel. If the Circuit Clerk does not control the data processing personnel, then the Circuit Clerk cannot institute the planned changes in automation.

Second, the judges of this circuit, believing they have the authority, have attempted to reduce the Circuit Clerk's budget for Fiscal Year 2001. At issue in the budget are funds included to continue automation changes in the Finance Department, in civil, criminal and garnishment. The Circuit Clerk's version of the Circuit Clerk's budget has been submitted for the City's consideration. Should the approved budget not include funds for ongoing automation and changes to automation, then the Circuit Clerk will not be able to institute the plan of action to respond to the issues raised by the audit which would best be addressed through automation.

General Response to Findings in Civil Finance and Garnishment

Although the financial records in Civil Finance have been automated for years, previous administrations did not rely on the automated records and to some extent tried to account for Civil Finance by manually created records. In December 1998, prior to the new administration taking office, the new administration held discussions regarding the state of the automated systems for Civil Finance. From those discussions, and with the help of an outside accounting firm, it was discovered that the automated systems were unable to balance. Computer program changes were ordered to take effect on January 1, 1999, which were meant to address the issues discovered.

Throughout the first six months of 1999, the office engaged and relied on the accounting services of the accounting firm, Lopata, Flegel and Associates (Lopata). On Lopata's advice, new bank accounts were established and separate records were created beginning January 1, 1999. Through Lopata's direct work with the Circuit Clerk, in conjunction with outside computer programmers, numerous ongoing computer programming changes were made which resulted in more accurate financial records. The office continues to evaluate the accuracy of

the open-items list as it relates to the civil general ledger, and anticipates that further changes to computer programming will be necessary to correct remaining inaccuracies in this area.

In addition, the office is exploring computer options to include financial transactions which occur at the juvenile court. These transactions and the interrelationship of special cases (the Leggett cases) and garnishment continue to create inaccuracies in the civil general ledger. Further investigation of computer programming and additional enhancements are planned to address these on going challenges.

Garnishment transactions continue to remain a problem because the amount of difference between the open-items list and cash on deposit continues to fluctuate. The system used for garnishment transactions is one of the oldest computer programs operated by the office. The office continues to discuss options regarding the best way to address this area of finance. As part of the groundwork for that discussion, the Circuit Clerk directed the office's Internal Auditor to review garnishment transactions during the past year.

One conclusion the Internal Auditor came to involves a rumored transfer of funds to civil investments. The Internal Auditor determined that there is no basis to conclude that any money was transferred from the garnishment account into civil "investments." The rumored transfer of \$40,000 to \$50,000 from garnishment does not appear to be true. Thus, the difference between the total of current open items and the cash on deposit, which ranges between \$60,000 to \$70,000, cannot be explained even in part by a phantom transfer of funds. The State Auditor's review of the records and process raised several questions which are being further reviewed by the Finance Department in conjunction with the computer programmers.

This report is intended for the information of the management of the Office of the Circuit Clerk, Twenty-Second Judicial Circuit, St. Louis City, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Recommendations

TWENTY-SECOND JUDICIAL CIRCUIT
ST. LOUIS CITY, MISSOURI
CIRCUIT CLERK FUND
FOLLOW-UP ON PRIOR RECOMMENDATIONS

This section reports follow-up action taken by the Office of the Circuit Clerk, Twenty-Second Judicial Circuit, St. Louis City, Missouri, on applicable recommendations made in the Management Advisory Report (MAR) of our report for the entire circuit for the two years ended June 30, 1996; our special review of the Circuit Criminal Division - Finance Department; our special review of Circuit Civil Division - Cashier's Office - Chapter 517 Landlord Case Initial Deposits; and Kerber, Eck, and Braekel's (KEB) report of the Circuit Clerk Fund for the year ended June 30, 1997. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the office should consider implementing these recommendations.

TWENTY-SECOND JUDICIAL CIRCUIT
ST. LOUIS CITY, MISSOURI,
TWO YEARS ENDED JUNE 30, 1996

Finding Nos. 1 and 13 from this report relate to the Probate Division and the Juvenile Division, respectively. These divisions were not within the scope of the current audit.

2. Circuit Clerk's Civil Division - Cashier's Office

- A. The balance of initial filing fee deposits shown on the open-items listing for each case included the Court Automation, Family Court, Law Library and Court Restoration fees, even though those fees had already been disbursed. In addition, one case was noted where the balance on the open-items listing included a refund that had already been made to the plaintiff. Also, the open-items listing did not include cash bonds, registry deposits, and guardian ad litem costs deposited.
- B.1. The cashiers only had to enter their cashier code number to enter payments into the computer and to open their cash drawer; no separate password was required.
 - 2. Access to the cashiers' cash drawer keys was not restricted.
 - 3. The name of the person making payment was not usually entered into the computer.
 - 4. Some receipt entries that were noted as voids on the reconciliations of the daily computerized receipt reports were not actually voided off the computer system. In addition, one receipt entry that was noted as a void on the reconciliation was not voided off the computer system on a timely basis.

- C. The Child Support Division of the Circuit Clerk's Office used the same series of prenumbered manual receipt slips used by the Cashier's Office. However, receipt slip series were not always assigned to the two departments in sequential order and the Purchasing Department did not maintain a log to document the series of receipt slips that were assigned to each office. In addition, the Cashier's Office did not account for the numerical sequence of the prenumbered manual receipt slips issued or ensure all were entered into the Cashier's computerized receipting system.
- D. No one at the court reconciled amounts recorded for various miscellaneous receipt categories with supporting records maintained by other divisions or agencies.
- E. The court did not always record restricted accounts' interest earned and service charges in the ledger maintained for restricted accounts.
- F. There were several months where the Cashier's Office was not disbursing fees and costs due to the city and state monthly. In addition, there were several types of court fees totaling approximately \$87,000 as of November 1996, that had not been distributed to the appropriate funds on a timely basis.
- G. At June 30, 1996, old outstanding checks totaling approximately \$19,000 had remained in the Cashier's Refund Account in excess of one year.

Recommendation:

The Circuit Clerk:

- A. Continue to follow up on correcting the open-items listing. The court should ensure all balances listed are actually open items and that the listing does not include fees that have already been disbursed. The court should maintain a record of monies held for cash bonds, registry deposits and guardian ad litem. Accurate open-items listings should be prepared periodically and reconciled to the balance of civil monies held.
- B.1. Restrict access to the cash drawers by requiring cashiers to enter their own password before payments can be entered on the computer and cash drawers opened.
 - 2. Ensure the cashiers lock their cash drawer and take their key whenever they are going to be away from the area.
 - 3. Request the cashiers to enter the name of the person making the payment for each receipt entry on the computer.

4. Ensure someone independent of the receipting process reviews all receipt entries that are noted as voids on the daily receipt report reconciliation to ensure they appear proper and have been voided on the court's computer system.
-
- C. Ensure someone independent of the receipting process accounts for the numerical sequence of all manual receipt slips issued and ensures all manual receipt slips are entered into the Cashier's computerized receipting system. In addition, the Purchasing Department should assign receipt slips in numerical sequence and maintain a log of receipt slips assigned to each office.
 - D. Ensure someone independent of the receipting process periodically agrees records of payments sent to the Cashier's Office maintained by other departments to the Cashier's Office receipt records.
 - E. Ensure all interest earned and service charges are recorded in the ledger maintained for the restricted accounts.
 - F. Disburse all court fees monthly to the city and state as required by state law.
 - G. Reissue old outstanding checks to any payees who can be located. If the payees cannot be located, the monies should be disposed of through the applicable statutory provisions. The Circuit Clerk should consult with the State Treasurer's Office regarding the proper disposition of unclaimed funds. In addition, procedures to routinely follow up and reissue any old outstanding checks should be adopted.

Status:

A., B.3.

& F. Not implemented. See MAR No. 6.

B.1., 2.,

4. & C.Implemented.

- D. Partially implemented. The Writs Department agrees their records of notary fees, marriage waivers and mechanic's liens, but the Certified Copies Department does not agree their records to the Cashiers Office. See MAR No. 8.
- E. Partially implemented. We noted only a few instances where the interest earned was not recorded. Although not repeated in the current MAR, our recommendation remains as stated above.

- G. Partially implemented. The court turned over \$67,174 in old outstanding checks to the city in January 1998 for checks dated July 1994 to December 1996, but at December 31, 1998, they had several checks that were over one year old. See MAR No. 6.

3. Costs for Civil Cases

- A. The court was holding over \$6 million, at October 31, 1996, on cases that had already been finalized. Except in certain types of cases, when costs were assessed against the defendant, the court did not refund the plaintiff's filing fee until the defendant paid the court costs in full. In addition, the court did not prorate available monies on which uncollectible additional court costs were due. The court did not send second billings on cases unless the plaintiff called and complained about not receiving a refund of the filing fee.
- B. The time between when the case was finalized and the application of costs and/or the sending of fee bills appeared excessive.

Recommendation:

The Circuit Clerk:

- A. Consider either using the plaintiff's initial deposit to apply out court costs assessed against the defendant on all cases or refund the plaintiff's initial deposit when the costs are assessed against the defendant. In addition, the court should send out second billings on costs that remain unpaid after a certain period of time. Also, the court should identify those cases which contain uncollectible additional court costs and obtain a court order to close those cases by paying out costs in accordance with the legal provisions or opinions.
- B. Ensure a billing is sent on a timely basis after the disposition of each case on which additional monies are owed, and ensure that court costs are distributed on a timely basis.

Status:

- A. Partially implemented. The court adopted a new policy on July 28, 1998, to apply the plaintiff's initial deposit to court costs no matter who was assessed costs, as long as the deposit was sufficient to cover the costs. However, this policy was not always followed. In addition, the court did not take action to pay out available monies on old closed cases which contain uncollectible additional court costs. See MAR No. 7.
- B. Implemented.

4. Circuit Clerk's Certified Copies Department

- A. Copy request forms used by the Certified Copies Department were not prenumbered. In addition, no one ensured all payments recorded on the request forms by the Certified Copies Department were entered into the computer in the Cashier's Office.
- B. The Certified Copies Department did not transmit company checks and money orders to the Cashier's Office on a timely basis.
- C. The cost for copies and the date paid was not always documented on the copy request form. In addition, the Certified Copies Department did not always indicate why a request for copies was not charged a fee or include the name of the government agency receiving the free copies.

Recommendation:

The Circuit Clerk:

- A. Issue prenumbered request forms for copies and require someone independent of handling the copy receipts to periodically account for the numerical sequence of the request forms and reconcile payments shown on the request forms to payments entered for copies in the Cashier's Office.
- B. Transmit receipts intact daily or when accumulated receipts exceed \$100.
- C. Always document the charge and the date paid for copies on the request form. In addition, appropriate information and the reasons for not charging for copies should be documented on all request forms as applicable.

Status:

- A. Partially implemented. The Certified Copies Department issues prenumbered request forms for copies, but no one independent of the handling of the receipts accounts for the numerical sequence. Payments shown on request forms are not reconciled to payments received by the Cashier's Office. See MAR No. 8.
- B. Not implemented. While the Certified Copies Department no longer collects money on walk-ins, they do receive checks and money orders from mail-ins. These checks and money orders are not endorsed immediately and at times are held by the department for an extended period of time. See MAR No. 8.
- C. Partially implemented. Charges and paid date are documented on the white copies of the request forms. However, appropriate information or reasons for not charging for copies is still not always being documented. See MAR No. 8.

5. Circuit Clerk's Garnishment Office

- A. Disbursements were not made immediately after the ten day holding period established by “Local Order” Rule No. 82.B.1. In addition, at September 30, 1996, the Garnishment Office was holding \$8,096 that had been held over two months.
- B. The monthly open-items listings prepared by the Garnishment Office were not reconciled to the bank account balance. The total identified open items at June 30, 1996, exceeded the balance in the bank account at that date by approximately \$63,000.
- C. At June 30, 1996, old outstanding checks totaling \$3,826 had remained in the garnishment bank account in excess of one year.

Recommendation:

The Circuit Clerk:

- A. Disburse monies immediately after the ten day holding period according to local orders. The court should consider reconstructing case files that cannot be found so disbursements can be made in a more timely manner.
- B. Investigate and resolve differences between the monthly open-items listings and the balances in the bank account. The open-items listings should be reconciled to the balance in the bank account on a monthly basis.
- C. Reissue old outstanding checks to any payees who can be located. If the payees cannot be located, the monies should be disposed of through the applicable statutory provisions. In addition, procedures to routinely follow up and reissue any old outstanding checks should be adopted.

Status:

- A., B.
& C. Not implemented. See MAR No. 9.

6. Circuit Clerk’s Child Support Department

- A. The duties of receiving, recording, and depositing Parent Locator monies were not adequately segregated.
- B. Updates made on the computer for payees was not properly reviewed by someone independent.
- C. The duties of processing some disbursements was not adequately segregated.

- D. The Child Support Department occasionally received checks and money orders that had been returned undeliverable by the Post Office. The checks were not locked in the vault, but were left on employees' desks so anyone walking by had access to these checks. No record was maintained to indicate the amount of monies that were on the desks.
- E. At June 30, 1996, old outstanding checks totaling \$96,568 had remained in the Parent Locator bank account in excess of one year. Old outstanding checks totaling \$992 had remained in the Dissolution bank account in excess of one year.

Recommendation:

The Circuit Clerk:

- A. Properly segregate duties in the Parent Locator Department among available employees and/or establish a documented periodic review of receipt records and deposits by an independent person.
- B. Ensure someone independent of the receipting process and independent of entering updates on the computer periodically reviews changes made to payees on the computer to ensure they are proper.
- C. Segregate the duties of entering payments on the computer, distributing checks, and entering information in the check register for the 999-9999 and 777-7777 checks.
- D. Ensure checks returned by the Post Office are locked in the vault. In addition, a log should be maintained of checks in the vault and the disposition of each check should be documented on the log. Someone independent of this process should review the disposition of these checks periodically.
- E. Reissue old outstanding checks to any payees who can be located. If the payees cannot be located, the monies should be disposed of through the applicable statutory provisions. In addition, procedures to routinely follow up and reissue any old outstanding checks should be adopted.

Status:

A., B.,
& E. Not implemented. See MAR No. 3.

C.&D. Implemented.

7. Circuit Clerk's Juvenile Office

- A. There was no supervisory review of disbursements.
- B. Receipts were not transmitted to the Cashier's Office on a timely basis.
- C. The balance shown on the open-items listing for some open cases did not agree to the balance shown in the case file.
- D. The Juvenile Office did not record checks received for transfer of jurisdiction costs that were made payable to another court in their receipt ledger, but simply forwarded these checks to the applicable court.

Recommendation:

The Circuit Clerk:

- A. Perform an independent review to ensure the disbursements appear proper.
- B. Transmit receipts to the Cashier's Office daily or when accumulated receipts exceed \$100.
- C. Ensure accurate open-items listings are prepared. These open-items listings should be used to reconcile to the balance of civil monies held.
- D. Record all checks received for transfer of jurisdiction costs in the receipt ledger and indicate the name of the court the check was mailed to and the date the check was mailed. In addition, the Juvenile Office should maintain a copy of the check.

Status:

- A., B.
& C. Implemented.
- D. Not implemented. However, this fee is no longer collected by the Juvenile Office.

8. Circuit Clerk's Criminal Division

- A.1. When transmitting criminal cost bill reimbursements to the city, the Circuit Clerk did not provide the information necessary for the city to allocate and disburse the monies to the appropriate parties.
- 2. The Criminal Division sent a criminal cost bill to the St. Louis City Comptroller's Office when a defendant was sentenced to St. Louis City's Medium Security Institution (MSI). However, the court never received any reimbursement from the city.

- B. The Criminal Division did not collect Crime Victims' Compensation (CVC) judgments from defendants assigned to MSI.
- C.1. An open-items listing associated with collected partial payments held in trust was not prepared and consequently was not reconciled to the cash balance.
 - 2. If the court received a significant payment of fines and court costs, the amount paid was disbursed that same month. However, when making these disbursements, there were no set procedures as to which costs would be paid first and the amount paid was not prorated among the various costs. In addition, the court reviewed felony case files with accrued costs once a year to determine uncollectibility and at that time, any monies still being held on that case were disbursed. Again, when making those disbursements, monies held were not prorated among the various costs. The court did not periodically review misdemeanor case files with accrued costs to determine uncollectibility.
- D. The bookkeeper did not agree the amount of overpayment stamped on the payment sheet to the receipt ledger to ensure the overpayment was valid prior to issuing a refund.

Recommendation:

The Circuit Clerk:

- A. 1. Provide St. Louis City with the information necessary to allow the Treasurer and Comptroller to allocate and disburse criminal cost reimbursements received from the state, including the state's portion of such fees identified above for fiscal years 1996 and 1995, totaling \$88,505. In addition, the Circuit Clerk's Office should identify similar fees from prior years and ensure those additional amounts are properly disbursed.
 - 2. Develop a system to monitor criminal costs billed to the city, including all past billings, and work with the city to ensure those criminal costs are disbursed to the appropriate parties, including the state.
- B. Establish procedures to ensure the collection of CVC judgments due from defendants sentenced to MSI and disburse these funds as required by state law.
- C.1. Prepare open-items listings monthly for partial payments and reconcile this to the balance in the partial payment account.
 - 2. Prorate any partial payments received among the various costs. In addition, identify those cases which contain uncollectible additional court costs and obtain a court order to close those cases by paying out costs on a prorated basis.
- D. Require the bookkeeper to agree overpayments stamped on the payment sheets to a

receipt recorded in the receipt ledger before refunds are made.

Status:

A.1., 2.,

B.

&C.2. Not implemented. See MAR No. 2.

C.1. Not implemented. See MAR No. 1.

D. Implemented.

9. Circuit Clerk's Bond Controls and Procedures

A. Bond forms issued by the Bonding Department were not prenumbered. In addition, a log of all bonds posted was not maintained.

B. The Bonding Department did not always indicate the type of bond posted on the Special Affidavit of Qualifications of Surety. In addition, for several bonds reviewed, the type of bond indicated on the Special Affidavit of Qualifications of Surety did not agree to the type of bond indicated on the bond form.

C. Errors were made by the Finance Department when posting bond receipts and disbursements to the various accounting records.

D.1. The bond open-items listings were not reconciled to the balance in the bond account. The total identified open items at June 30, 1996, exceeded the balance in the bond account at that date by \$315,670. In addition, the Finance Department also had a "miscellaneous" general ledger account where the prior bookkeeper added voided checks and "stop payment" checks, instead of adding these back to the appropriate general ledger account from which they were disbursed. The Finance Department did not know how much of the "miscellaneous" account related to bonds.

2. The bond open-items listing at June 30, 1996 was inaccurate.

3. The bond open-items listing at June 30, 1996, included numerous old bonds, some which had been held over fifteen years.

Recommendation:

The Circuit Clerk:

A. Ensure the Criminal Division-Bonding Department issues prenumbered bond forms for all

bonds. In addition, a log of bonds should be maintained by the Criminal Division, including the bond number, and the numerical sequence of the bond forms should be accounted for by someone independent of the bonding process. In addition, someone independent of the bonding process should periodically trace all full cash bonds or 10% cash bonds recorded in the bond log to a receipt recorded in the Finance Department's receipt ledger.

- B. Record the type of bond posted on the Special Affidavit of Qualifications of Surety and ensure that agrees to the type of bond recorded on the bond form.
- C. Ensure all bond receipts and disbursements are properly posted to the various accounting records.
- D. Investigate and resolve differences between the open-items listings and the balances in the bond account. Any identified shortage should be investigated and resolved. Accurate open-items listings should be prepared periodically and reconciled to the balance in the bond account. Unclaimed bonds should be disposed of in accordance with state law.

Status:

- A. Partially implemented. New software was installed in the Bonding Department and they began issuing prenumbered bond forms in November 1998. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Implemented.
- C. Not implemented. See MAR No. 1.
- D. Not implemented. See MAR No. 2, of the Special Review of the Circuit Criminal Division - Finance Department - Cash Bond Deposits and See MAR No. 1.

10. Circuit Clerk's Banking Arrangements

- A. The Circuit Clerk could possibly have earned a higher rate of return on some deposited monies.
- B. At June 30, 1996 and June 30, 1995, \$100,000 and \$186,421 of the Circuit Clerk's deposits exceeded the Federal Deposit Insurance Corporation (FDIC) coverage and was not secured by additional pledged collateral. We also noted bank balances exceeded the amount of collateral security pledged at various other times during the audit period by as much as \$3.2 million.

Recommendation:

The Circuit Clerk:

- A. Transfer more court funds into higher yielding accounts.
- B. Monitor total amounts on deposit to ensure amounts pledged as collateral are sufficient.

Status:

- A. Not implemented. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Not implemented. The Circuit Clerk's bank accounts were only under-collateralized one month during the fiscal year ended June 30, 1998. Although not repeated in the current MAR, our recommendation remains as stated above.

11. Circuit Clerk's Special Interest Account

- A. Bids were not always solicited for major purchases nor was bid documentation always retained.
- B. The court did not always transfer interest earned on some of their unrestricted accounts to the special interest account on a timely basis.

Recommendation:

The Circuit Clerk:

- A. Solicit bids for all major purchases and retain appropriate documentation of these bids. In situations where bids cannot be taken, the reasons for not taking bids should be documented and retained.
- B. Transfer \$160,941 to the special interest account. In addition, the court should determine whether there was any other interest earned between July 1, 1992 and June 30, 1994 that was not transferred to the special interest account and then transfer this to the special interest account. Also, transfer interest earned on all unrestricted deposits periodically to the special interest account to be used for expenditures of the Circuit Clerk's Office or turned over to the city treasury in accordance with state law.

Status:

- A. Not implemented. See MAR No. 10.
- B. Implemented.

12. Circuit Clerk's Personnel Procedures

- A. Leave recorded on some employees' time sheets, absence reports, and leave accrual records did not agree. In some cases, the required absence reports were missing. Also, one employee had accrued negative annual leave and sick leave balances instead of having pay docked as required by the Circuit Clerk's written policy on leave.
- B. The Personnel Office did not maintain proper records of overtime worked by Circuit Clerk employees.

Recommendation:

The Circuit Clerk:

- A. Ensure leave recorded on the daily sign in sheets, monthly time sheets, and absence reports agree to the leave accrual records.
- B. Follow established procedures to ensure records of overtime worked and compensatory time earned and taken are maintained by the Personnel Office.

Status:

A.&B. Not implemented. Although not repeated in the current MAR, our recommendations remain as stated above.

SPECIAL REVIEW OF THE CIRCUIT CRIMINAL DIVISION - FINANCE DEPARTMENT

1. Missing Funds

Accounting records indicated more cash was received than was deposited. Some cash received which was recorded was not deposited; and some money orders and checks received were not recorded but deposited in place of cash taken. It appears approximately \$25,000 was misappropriated.

Recommendation:

The Circuit Clerk work with law enforcement officials regarding restitution of the missing monies and any criminal prosecution considered necessary.

Status:

Restitution could not be collected due to the death of a former clerk.

2. Receipt Controls and Procedures

- A. Receipt slips issued by the court did not always indicate the method of payments received. In addition, the composition of receipt slips issued was not reconciled to the composition of deposits, and the department allowed employees and judges to cash personal checks from court receipts.
- B. No one accounted for the numerical sequence of the prenumbered receipt slips. Numerous receipt numbers were not shown as used, or voided and there were also numerous other receipt slips that had been voided and many receipt slips where information had been changed through the use of correction fluid.
- C.1. When Case Processing personnel recorded payments on the computer system, only a statement that “fine and/or court costs were paid” was recorded; the receipt slip number and the amount paid was not recorded.
 - 2. Access to the REJIS computer system was not properly restricted.
 - 3. Payments recorded on the REJIS computer system were not reconciled to payments recorded in the one-write receipt ledgers.
- D. The duties of receiving monies, recording payments, and depositing monies were not adequately segregated.
- E. The Finance Department was not printing daily totals from the cash register for use in reconciling to money collected.
- F. Numerous case files could not be located by court personnel.

Recommendation:

The Circuit Clerk ensure:

- A. The method of payment is recorded on all receipt slips issued and the composition of receipt slips is reconciled to bank deposits. In addition, the court should discontinue cashing personal checks from judges, and any discrepancies between the composition of receipts and deposits should be investigated and explanations for the differences documented.
- B. The numerical sequence of all receipt slips issued is accounted for, new receipt slips are issued when receipt information needs to be changed, and the old receipt slips are voided.
- C.1. The receipt slip number and amount paid is included for all receipts recorded into the computer.

2. Each employee accesses the computer system with their unique password.
 3. Receipts recorded on REJIS are reconciled to receipts recorded in the one-write receipt ledgers and any changes made to the computer case files after the reconciliation is performed are reviewed.
- D. The duties of receiving and depositing monies are segregated from the duties of posting and modifying payments on REJIS, and canceling warrants on REJIS.
- E. All receipts are maintained in the locked cash register drawers. In addition, daily totals of receipts recorded on the cash register should be printed and reconciled to money in the register.
- F. All court records are retained in accordance with Supreme Court Administrative Rule 8.

Status:

A.&E. Implemented.

B., C.

& D. Not implemented. See MAR No. 1.

F. Not implemented. See MAR No. 5.

SPECIAL REVIEW OF THE CIRCUIT CIVIL DIVISION - CASHIER'S OFFICE -
CHAPTER 517 LANDLORD CASE INITIAL DEPOSITS

Missing Funds

A misappropriation of at least \$10,352 occurred during the period July 1, 1994 through May 17, 1996. Some cash payments for initial deposits on Chapter 517 landlord cases were recorded but the cash was not deposited. Some checks and money orders that were received from the Certified Copies Department were not recorded, but deposited in place of the cash taken from the deposits on Chapter 517 landlord cases. In addition, the Cashier's Office did not immediately receipt checks when received from the Certified Copies Department. Not only did the Certified Copies Department not receive a receipt slip at the time the checks were transmitted, the department kept no record of the amounts collected and transmitted to the Cashier's Office.

Recommendation:

The Circuit Clerk continue to work with the St. Louis City Circuit Attorney and the St. Louis City Police Department regarding any criminal prosecution and restitution of the missing monies. In addition, the Certified Copies Department should obtain a receipt from the Cashier's Office immediately upon transmitting copy monies and ensure the receipt agrees to the amount of monies collected and transmitted.

Status:

Partially implemented. The individuals involved were prosecuted and sentenced to one year probation with suspended imposition of sentence, which has been completed. Restitution was collected in full by the court. Procedures in the Certified Copies Department are still not adequate. See MAR No. 8.

KEB's REPORT ON THE CIRCUIT CLERK FUND
YEAR ENDED JUNE 30, 1997

1. Cash Receipts Journal

Management was unable to provide the detailed cash receipts journals for the month of July 1996, and it was determined that retrieval of this information from the computer system could not be performed.

Recommendation:

Procedures should be developed to safeguard all financial records of the Circuit Clerk's Office and all daily printed cash receipt reports should be retained and accounted for on a daily and monthly basis. In addition, the computer program for recording cash receipts should be modified to allow for the identification of unique batches so that retrieval of information will match reports of original entry.

Status:

Not implemented. See MAR No. 5.

2. Bank Reconciliations

The cash balance per the cash book did not agree to the bank reconciliation for the Criminal and Civil Departments due to transfers between the funds not being recorded. In addition, in all departments it was noted that management was not reviewing monthly bank reconciliations.

Recommendation:

In order to properly report cash, the cash book and the bank reconciliation should agree. In addition, any transfers between funds should be properly recorded as due to and due from the various department's accounts in each department's cash book. Management should also review and initial each bank reconciliation to monitor the resolution of all reconciling items. Furthermore, management should ensure that reconciling items that appear on subsequent bank reconciliations are promptly identified, investigated and accounted for appropriately.

Status:

Partially implemented. The Civil Cashiers' Office implemented this recommendation, however, the Criminal Cashiers' Office has not. In addition, the December 1998 bank reconciliation for the Child Support Account was not completed until December 1999. See MAR Nos. 1 and 3.

3. Outstanding Checks

The list of outstanding checks on the bank reconciliation for the Civil Department was shown as a range of checks with one dollar amount. In addition, a check for approximately \$25,000 was

listed as outstanding, but had been voided in December 1995. In addition, cash account reconciliations for several other departments indicated that some checks had been outstanding as long as four years.

Recommendation:

All check numbers and amounts should be shown individually on the outstanding check list to easily identify items that have not cleared the bank and voided checks should be properly processed and removed from the outstanding check list. Procedures should also be developed to periodically review old outstanding checks to determine if the payee can be located and to properly dispose of unclaimed funds in accordance with state law. Finally, since the Circuit Clerk's office processes a large number of checks, a more computerized system should be used for bank reconciliations to gain efficiencies from data already entered into the various systems.

Status:

Not implemented. Although not repeated in the current MAR, the recommendation remains as stated above.

4. Voided Checks

Several blank checks for the active Dissolution Department bank account were included with the checks that had cleared the bank. The checks were considered voided, but were not marked in a manner to indicate they had been voided.

Recommendation:

Voided checks should be marked or mutilated in a way so that the checks cannot be easily stolen and presented for payment.

Status:

Implemented.

5. Canceled Checks

Canceled checks returned with the bank statement were filed in numeric sequence rather than being kept numerically by the month cleared. In addition, since a large volume of checks clear the bank on a daily basis, the bank uses a separate piece of paper called a lot slip to indicate the checks which clear the bank on a given day and only a total is indicated on the bank statement for these lot slips. The lot slips included with the bank statement were not kept together by month and stored in a secure location.

Recommendation:

Lot slips should be kept together by month, by account and stored with the bank statement. In addition, in order to reduce time in the bank reconciliation process, canceled checks should be kept together by month cleared by bank account and not refiled in numeric order.

Status:

Not implemented. Although not repeated in the current MAR, the recommendation remains as stated above.

6. Recording Cash Receipts as of Date Received

Mail cash receipts of the Child Support Account were not being recorded based on the actual receipt date. Child Support personnel were two days behind in receipting collections.

Recommendation:

Cash receipts should be recorded as of the date funds are received. This will allow for a more accurate accounting of cash within the department.

Status:

Not implemented. See MAR No. 3.

7. Interest Income

Management sometimes transferred the principal portions of investments to the special interest account at the time investments were purchased rather than when the interest was actually earned.

Recommendation:

Interest should be transferred into the Special Interest Account at the maturity date of the investment or when the interest is actually received. Principal amounts available to be invested should not be reduced, but rather used to purchase other investments such as certificates of deposit to maintain principal balances.

Status:

Implemented.

8. Restricted Accounts

Some case files within the Civil Account Restricted Accounts lacked proper authorization for the establishment of and for the disbursement of funds from these accounts. Differences were also noted between the final disbursement amount and the bank balance due to service charges incurred.

Recommendation:

All disbursements should be properly authorized as well as documentation supporting establishment of these restricted accounts be included in the case file as required. Adequate controls should be established to ensure all restricted accounts are disbursed at the proper amount.

Status:

Implemented.

9. Controls over Cash Receipts

In the Criminal Department checks were not deposited until a case number could be identified and a list of undeposited checks was not properly kept to determine when or if a check was deposited.

Recommendation:

All checks received should be deposited intact daily regardless of whether a case number can be identified. Additionally, a list or copy of unidentified checks should be maintained and used to identify the proper case number on a timely basis.

Status:

Not implemented. See MAR No. 1.

10. Authorized Signers

One investment account had a previous Circuit Clerk who was still listed in its database and whose name appeared on certain types of transactions.

Recommendation:

This situation should be corrected as soon as possible.

Status:

Implemented.

11. Taxing

Several errors were noted in the amounts taxed by the Taxing Department. In addition, the breakdown of costs incurred did not agree in total to the amount of fees charged.

Recommendation:

Procedures should be developed by the Taxing Department to correctly charge cases for fees incurred and to insure the breakdown for fees agrees to the amount charged.

Status:

Not implemented. See MAR No. 6.

12. Double Entry Accounting System

All of the accounts under the Circuit Clerk's control did not post activity to a general ledger or financial system. Financial information was not being captured in a method that allowed for a detailed listing of accounts and activity. In the current system, many manual reports would have to be accumulated to present this financial information.

Recommendation:

A double entry accounting system should be put in place to capture all of the activity under the Clerk's control. All of the accounts under the Clerk's control should be included and reconciled on a monthly basis.

Status:

Not implemented. Although not repeated in the current MAR, the recommendation remains as stated above.

13. Open-Item Listings

Various operating accounts did not reconcile open-item listings of monies held for others to the cash and investments in the bank.

Recommendation:

The Circuit Clerk's office review and reconcile, on a monthly basis, the open-items listing by operating account to the cash and investment balances. Old outstanding items should be reviewed and followed up on as necessary.

Status:

Not implemented. See MAR Nos. 1, 3, 6 and 9.

14. MSI Criminal Cost Bills

The Criminal Division sent a criminal cost bill to the St. Louis City Comptroller's Office when a defendant was sentenced to the St. Louis City's Medium Security Institution (MSI). However, the court never received any reimbursement from the city.

Recommendation:

The Clerk should review procedures to determine if the Clerk is able to receive reimbursement from the city in accordance with state approved regulations.

Status:

Not implemented. See MAR No. 2.

15. Criminal Division Collection of CVC

The Criminal Division did not collect Crime Victims' Compensation (CVC) judgements from defendants assigned to MSI as required by Section 595.045, RSMo 1994.

Recommendation:

The Clerk's office should establish procedures for the collection of the CVC judgements from defendants assigned to MSI.

Status:

Not implemented. See MAR No. 2.

16. Review of Refunds of Overpayments- Criminal Division

The voucher amount to refund overpayments was not agreed to the overpayment amount in the partial payment ledger.

Recommendation:

A supervisor should compare the voucher amount to the payment ledger in addition to the amount in the case file.

Status:

Implemented.

17. Pledged Securities

The collateral security pledged by the Circuit Clerk's depository banks as of June 30, 1997 was insufficient in one bank by \$4,992. In addition, one banking institution maintained pledged collateral in the name of the City of St. Louis rather than the Circuit Clerk.

Recommendation:

The Circuit Clerk should routinely monitor amounts on deposit and pledged collateral amounts to ensure proper collateral by the banking institutions. In addition, all pledged collateral should be in the name of the Circuit Clerk.

Status:

Partially implemented. At December 31, 1998, and June 30, 1998, the collateral security pledged by the Circuit Clerk's depository banks was sufficient, although it was noted that one bank's collateral security pledged was insufficient at times during the year ended June 30, 1998. Although not repeated in the current MAR, the recommendation remains as stated above.

STATISTICAL SECTION

History, Organization, and
Statistical Information

TWENTY-SECOND JUDICIAL CIRCUIT
ST. LOUIS CITY, MISSOURI
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

Organization

The Twenty-Second Judicial Circuit includes only St. Louis City. The circuit consists of twenty-four circuit judges, one of whom serves as presiding judge, and seven associate circuit judges.

In addition to the judges, the personnel of the Twenty-Second Judicial Circuit, St. Louis City, Missouri includes a circuit clerk, twenty-six court reporters, a court administrator, a jury supervisor, a juvenile officer, and approximately 480 other court employees. Approximately 189 of these employees work under the supervision of the Circuit Clerk.

The Circuit Clerk is elected for a four-year term. The Circuit Clerk's Office plans, assigns, coordinates, and supervises the operation and administration of the circuit court presided over by the circuit judges. Duties of the Circuit Clerk include: docketing, clerical tasks, documentation of court matters, accounting and recording, receipting and disbursing funds through the circuit and associate circuit divisions, and administering the operations of the court.

Operating Costs

The operating expenses of the various courts are paid by St. Louis City. The salaries of full-time court personnel, except for the bailiffs, are paid by the State of Missouri. The salaries of the Circuit Clerk are paid jointly by the State of Missouri and St. Louis City.

Expenditures paid by St. Louis City for the Twenty-Second Judicial Circuit for fiscal year ends June 30, 1999 and 1998, were obtained from the St. Louis City Comptroller's Office and are presented as follows:

		Year Ended June 30,			
		1999		1998	
		Personal Service	Operating Expenses	Personal Service	Operating Expenses
Circuit court judges	\$	101,533	1,509,289	96,346	1,449,058
Circuit court		2,415,227	2,810,013	2,278,681	2,458,529
	\$	<u>2,516,760</u>	<u>4,319,302</u>	<u>2,375,027</u>	<u>3,907,587</u>

Salary amounts paid by the State of Missouri for personal service for the Twenty-Second Judicial Circuit were provided by the State Courts Administrator's Office on a calendar year basis and were \$3,859,143 and \$3,690,679 for the years ended December 31, 1998 and 1997, respectively.

Caseload and Time Standards Statistics

Caseload statistics of the filings and dispositions as provided by the State Courts Administrator's Missouri Judicial Reports, are as follows:

	Year Ended June 30,			
	1999		1998	
	Filings	Dispositions	Filings	Dispositions
Civil	31,056	30,914	33,339	32,864
Criminal	14,973	13,671	15,226	13,801
Total	46,029	44,585	48,565	46,665

Compliance by the Twenty-Second Judicial Circuit, St. Louis City, Missouri, with time standards for disposition of certain types of cases, provided by the State Court Administrator's Missouri Judicial Report for fiscal year 1998, is as follows:

Type of Case	Time Standard	Twenty-Second Judicial Circuit St. Louis City, Missouri	State Total
Circuit Civil	90% in 18 months	75 %	79 %
	98% in 24 months	81	87
Domestic Relations	90% in 8 months	87	83
	98% in 12 months	92	90
Associate Civil	90% in 6 months	87	84
	98% in 12 months	96	95
Circuit Felony	90% in 8 months	78	85
	98% in 12 months	92	93
Associate Criminal	90% in 4 months	82	79
	98% in 6 months	91	89

Personnel

On December 31, 1998, the judges and other key court personnel were:

Circuit Court Judges:

Division One, Robert H. Dierker, Jr., Presiding Judge*

Division Two, Philip D. Heagney

Division Three, John J. Riley

Division Four, Michael B. Calvin
Division Five, Jimmie M. Edwards
Division Six, Evelyn M. Baker
Division Seven, Thomas C. Grady
Division Eight, Michael P. David
Division Nine, Joan L. Moriarty
Division Ten, Patricia L. Cohen
Division Eleven, Floyd McBride
Division Twelve, Booker T. Shaw
Division Thirteen, David C. Mason
Division Fifteen, Thomas J. Frawley
Division Sixteen, Margaret M. Neill
Division Seventeen, Sherri B. Sullivan
Division Eighteen, Julian L. Bush
Division Nineteen, Timothy J. Wilson
Division Twenty, Dennis M. Schaumann
Division Twenty-One, Anna C. Forder
Division Twenty-Two, Henry E. Autrey
Division Twenty-Three, Joan M. Burger
Division Thirty, Brendan Ryan
Division Thirty-One, Edward M. Peek

Associate Circuit Judges:

Division Fourteen, Angela Turner Quigless
Division Twenty-Four, Iris G. Ferguson
Division Twenty-Five, Steven R. Ohmer
Division Twenty-Six, Arthur F. Miorelli
Division Twenty-Seven, John F. Garvey
Division Twenty-Eight, Edward Sweeney
Division Twenty-Nine, Thad F. Niemira

Circuit Clerk, Mavis T. Thompson**

*The Honorable Michael B. Calvin was appointed Presiding Circuit Judge for a two year term on January 1, 1999.

**Mariano V. Favazza was elected Circuit Clerk in November 1998 to replace Mavis T. Thompson, effective January 1, 1999.

An organization chart follows:

TWENTY-SECOND JUDICIAL CIRCUIT
ST. LOUIS CITY, MISSOURI
ORGANIZATION CHART
DECEMBER 31, 1998

